

Operator: Ladies and gentlemen, good day and welcome to the EFC (I) Ltd. Q1 FY27 earnings conference call. 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 an 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. Nidhi Vijayvargiya from Nuvama Wealth Management. Thank you, and over to you, ma'am.

Management: Good morning everyone. Welcome to the Q1 FY27 earnings conference call of EFC (I) Ltd. To discuss this quarter's performance, we have from the management Mr. Umesh Sahai, Chairman and Managing Director; Mr. Nikhil Bhootda, Whole-time Director; Mr. Uday Vora, Chief Financial Officer; and Mr. Aman Gupta, Company Secretary.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and stock exchanges. With that, I would like to hand over the call to Mr. Umesh Sahai for his opening remarks. Thank you and over to you, sir.

Management: Thank you, ma'am. Good morning, ladies and gentlemen. Thank you for joining us for the Q1 financial year 2027 earnings conference call of EFC (I) Ltd. We are pleased to begin FY27 on a strong note. Q1 reflects continued momentum across our platform, supported by disciplined execution, enterprise-led demand, and the growing relevance of our integrated real estate as a service model.

During the quarter, our consolidated revenue from operations stood at approximately 283 crores, representing a growth of around 29% year-on-year. Profit after tax stood at approximately 71 crores, growing by around 52% year-on-year. These numbers demonstrate the strength of our platform, the benefit of scale, and our continued focus on profitable execution.

Over the last few years, we have continuously built EFC as a multi-engine workspace platform across three core verticals: leasing, design and build, and furniture manufacturing. These businesses are distinct, but together they allow us to participate across the complete commercial workspace lifecycle: from space identification and leasing to design, execution, fit-out, furniture, and ongoing workspace operations.

Our leasing business continues to remain the foundation of the platform. It provides a recurring revenue base, deep enterprise relationships, and long-term customer engagement. We operate across 25 cities and served more than 780 clients during the quarter. Our design and build vertical continues to strengthen the ecosystem by allowing us to deliver turnkey commercial interiors for enterprise, GCC, institutional clients, and multi-location mandates. This vertical enhances our relevance to clients because we are not merely providing space; we are helping them create functional, scalable, and ready-to-use workspaces.

We have better procurement discipline and supply chain reliability. As this vertical scales, it adds another important capability to our platform and improves our ability to serve both internal workspace requirements and external institutional demand. The industry trends remain encouraging. India continues to see strong demand for Grade A commercial workspaces, managed office solutions, and enterprise-ready infrastructure. The shift towards GCC, flexible workspaces, and enterprise-led integrated workspace solutions is closely aligned with EFC's operating model.

What is important is that occupiers today are not looking just for office space. They are looking for speed, flexibility, design quality, execution certainty, and a single accountable partner. This is where EFC's integrated leasing, design and build, and furniture capabilities create a meaningful competitive advantage. We remain focused on disciplined growth, improving asset productivity, strengthening enterprise relationships, and creating sustainable value for all stakeholders. Our approach is not just to expand, but to expand with operating discipline, customer quality, and a focus on returns.

I would like to thank our shareholders, customers, banking partners, and our team members for their continued trust and support. With that, I would now like to invite Mr. Nikhil Bhootda, Whole-time Director, to discuss the operational performance of the company in greater detail.

Management: Thank you so much, Umesh sir. Good morning to all investors, analysts, and stakeholders, and a warm welcome to the Q1 FY27 earnings conference call of EFC (I) Ltd.

Q1 FY27 has been a strong operational quarter for the company. The performance reflects the progress we made in building a scalable, integrated, and enterprise-focused workspace platform. Our three core businesses—leasing, design and build, and furniture manufacturing—continue to perform in a coordinated manner. Together, these businesses allow EFC to offer complete workspace solutions to clients while creating operating synergies, cross-selling opportunities, and deeper customer relationships.

Starting with the leasing business, this vertical continues to be the cornerstone of our platform. During the quarter, leasing revenue stood at approximately 154 crores, growing around 26% year-on-year. Segment results from the leasing business stood at approximately 64 crores of profitability. This reflects the stability of the annuity model, the strength of our enterprise relationships, and the benefits of scale across our managed workspace portfolio.

Our managed workspace platform now spans 25 cities with a total capacity of more than 84,000 seats and more than 68,000 billed seats. We also have additional inventory and capacity under development, which supports future revenue visibility without making any revenue commitment. The scale of this platform gives us operating leverage, deeper customer access, and stronger enterprise engagement.

Enterprise demand remains healthy. We are seeing traction from GCCs, multinational companies, BFSI institutions, technology companies, consulting firms, enterprise outsourcing businesses, and other institutional clients. These clients increasingly prefer flexible, scalable, high-quality, and functionally managed workspaces. Our ability to provide consistent delivery across multiple cities is becoming an important differentiator.

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A key strength of our leasing portfolio is the quality of customer relationships. Enterprise clients contribute meaningfully to our revenues, and the average enterprise client tenure remains very healthy. This supports revenue stability and helps us build long-term visibility in the business.

Moving to the design and build vertical, the business continued to contribute strongly during the quarter. The revenue from this segment stood at approximately 100 crores, growing year-on-year. Segment results stood at approximately 34 crores of profitability. The business continues to benefit from turnkey mandates, repeat relationships, multi-locational projects, and demand from enterprise clients. Our current design and build order book stands at more than 228 crores. This gives us healthy execution visibility.

The strength of this business comes from our ability to combine design, project management, execution, construction-related activity, and MEP capabilities for disciplined delivery. We continue to see opportunities across commercial space development, GCC facilities, institutional assignments, retail, and enterprise infrastructure. The design and build vertical also plays a strategic role within the group. It supports our leasing business by accelerating fit-out completion and helping us monetize spaces faster. It also opens opportunities with clients who may not initially come to us for leasing but require turnkey workspace solutions.

Coming to the furniture manufacturing business, E-design continues to scale as an important part of the integrated platform. During the quarter, furniture revenue stood at approximately 29 crores, growing more than 120% year-on-year. This vertical strengthens EFC's backward integration strategy. It improves our control over quality, delivery timelines, and product availability. The business currently has more than 2,200 SKUs and has delivered more than 75,000 units across categories. The order book for the furniture business is approximately 53 crores plus, which reflects growing institutional acceptance of the platform.

The furniture business is still in a scale-up phase. As volume increases, the focus remains on improving capacity utilization, product mix, execution efficiency, and institutional customer relationships. We are building this business for long-term strategic value—not just as a standalone manufacturing vertical, but as an important enabler of the broader EFC ecosystem.

One of the biggest advantages of our model is that we participate across multiple stages of the workplace value chain. A client may engage with us for managed offices, design and build, furniture, or a combination of all of these solutions. This increases wallet share, improves client stickiness, and strengthens our position as a single accountable partner.

Overall, Q1 FY27 has demonstrated that our platform is scaling well. The leasing business remains stable and recurring, the design and build business has a healthy order book, and the furniture business is gaining operating scale. The business pipeline across our verticals remains encouraging, and the market opportunity continues to support integrated workplace solution providers like EFC. We remain focused on execution quality, disciplined expansion, customer retention, asset productivity, and sustainable value creation. I would like to thank all our investors and stakeholders for their continued trust and support. With that, I would now like to hand over the call to Mr. Uday Vora, our Chief Financial Officer, who will take you through the financial performance of the company.

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Management: Thank you, Nikhil sir. Good morning everyone and welcome to the Q1 FY27 earnings conference call of EFC (I) Ltd. I will now take you through the consolidated financial performance of the company for the quarter ended June 30, 2026.

We have started FY27 on a strong note with healthy growth in revenue and profitability on a year-on-year basis. The performance during the quarter was supported by continued demand across our core verticals, disciplined execution, and the operating benefits of our integrated platform.

Revenue from operations for Q1 FY27 stood at 282.88 crores, as compared to 219.62 crores in Q1 FY26, representing a year-on-year growth of approximately 29%. EBITDA for the quarter stood at approximately 122.96 crores as compared to 102.16 crores in Q1 FY26, representing growth of around 20% year-on-year. EBITDA margin for the quarter stood at approximately 43.5%.

Profit before tax stood at 101.34 crores as compared to 66.06 crores in Q1 FY26, reflecting a growth of approximately 53% year-on-year. Profit after tax stood at 70.85 crores as compared to 46.67 crores in Q1 FY26, representing growth of approximately 52% year-on-year. Profit after tax margin improved to approximately 25.1% in Q1 FY27, as compared to approximately 21.3% in Q1 FY26. This reflects operating discipline, scale benefits, and the strength of the business mix.

From a segment perspective, the leasing business remains the largest contributor to revenue. Leasing revenue stood at 153.91 crores during Q1 FY27 as compared to 122.18 crores in Q1 FY26, growing approximately 26% year-on-year. Segment results from leasing stood at 64.6 crores.

The design and build business reported a revenue of 100.39 crores during the quarter as compared to 84.69 crores in Q1 FY26. The segment results stood at 33.84 crores. The business continues to be supported by the execution of turnkey and enterprise-led projects.

The furniture business reported a revenue of 28.57 crores during Q1 FY27, as compared to 12.75 crores in Q1 FY26, reflecting strong year-on-year growth of approximately 124%. Segment results stood at 2.1 crores. This vertical continues to scale and remains strategically important to our backward integration and execution control model.

Other income for the quarter stood at 11.42 crores. Finance cost for the quarter stood at 10.35 crores, lower than the previous quarter and broadly controlled relative to the scale of the business. Depreciation and amortization stood at 22.69 crores.

On the balance sheet side, the company continues to support growth across leasing, design and build, and furniture while maintaining focus on financial discipline. Our operating model involves both recurring revenue assets and execution-led businesses, and we continue to evaluate capital allocation with a focus on returns, asset productivity, and long-term value creation.

While the overall financial performance for Q1 FY27 has been strong, we remain focused on improving operating efficiency, working capital discipline, client collections, execution cycles, and asset utilization across the platform.

To summarize, Q1 FY27 reflects a strong start to the year. Revenue grew 29% year-on-year, EBITDA grew 20% year-on-year, and PAT grew 52% year-on-year. The leasing platform continues to

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provide a stable recurring base, the design and build business has healthy execution visibility, and the furniture business is scaling as an important strategic vertical within the ecosystem. We believe the company is well-positioned to benefit from the continuing shift towards enterprise-managed workplaces, turnkey execution, integrated workspace solutions, and institutional demand.

We will continue to focus on disciplined growth, efficient execution, stronger customer relationships, and sustainable value creation. With this, I conclude my remarks. I would like to thank all our shareholders, lenders, partners, and stakeholders for their continued trust and support. I now request the moderator to open the floor for the question and answer session. Thank you.

Operator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Akash from Edged Limited. Please proceed.

Akash – Edged Limited: Umesh sir, Nikhil sir, Uday sir, many congratulations on excellent results. I have two questions. Firstly, the design and build order book is at 228 crores and the furniture order book is at 53 crores. How much of this is for third parties and how much is for internal capacity?

Management: Thank you, Akash. We have delivered a strong performance this quarter and are very confident going forward. Regarding the design and build and furniture order books mentioned in the presentation, these largely contribute toward external business. More than 85% is from third-party business because the majority of development on internal work has already been handled, largely by the landlords. Hence, more than 85% of this order book is from external business relationships.

Akash – Edged Limited: My second question is that the interior design and build division revenue has declined from the previous quarter. It was earlier about 120 odd crores and has come down to about 100 crores now. Is this business seasonal, or are we expecting order delays?

Management: Yes, there is a slight reduction compared to Q4. You would appreciate that design and build is a project-based business. There is no seasonality affecting it. What matters is the projects under execution. Typically, you secure projects in the third and fourth quarters, they undergo execution, and you see significant upside during Q3 and Q4. You would have observed this in our financials last year as well.

The best way to look at this is on a year-on-year basis for the quarter. There is significant growth in Q1 year-on-year, and it will continue to grow similarly every quarter. We are absolutely on track to achieve our target of more than 30% growth in the design and build segment for the year. There is no seasonality. While there have been overall disruptions in supply chains and material pricing, we have continued growing year-on-year and are confident in our targets for the current financial year.

Akash – Edged Limited: Thank you so much, this answers my query.

Operator: Thank you. The next question is from the line of Bharat from Contact Capital. Please proceed.

Bharat – Contact Capital: Thank you, team EFC, and congratulations on these wonderful results. I understand your model considers leased centers, owned assets, and asset monetization. How do you look at this product mix over the next 3 years, and how should investors value these three

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models differently?

Management: Thank you, Bharat. It is necessary for our investors to understand how we are creating better returns and capital efficiency. We are not letting our leasing business get affected. Through the asset monetization model, we acquire value assets—for example, a 10-year-old asset that is vacant. We acquire it, refurbish it, and create value. Then we lease it out through our managed office vertical, which is our legacy business that we understand thoroughly.

We monetize such assets to create a higher IRR and add a revenue stream where I am effectively my own landlord. Otherwise, I would have signed a lease with a third party. Here, I acquire and develop the asset, offer managed office solutions, and capture appreciation in property value as the grade improves and it becomes a yield-generating asset. This offers an opportunity where, apart from leasing profitability, we capture asset monetization gains, which improves overall profitability and margins. We don't necessarily differentiate the asset class; we simply acquire some assets on our own book to create this appreciation opportunity.

Bharat – Contact Capital: That is helpful, sir. My other question is about the 18 to 20 months payback for the 50,000 per seat fit-out cost. Is this 50,000 a standard cost, or is it for selected centers? What is the worst-case payback period if costs change?

Management: It is a fairly standard cost. We have been in this business for a long time, so it is well-established. The fit-out cost is usually funded by the landlords, so the 18–20 month period is essentially the payback for the landlords. This remains standard across centers and cities pan-India.

Bharat – Contact Capital: Understood. Thank you so much and once again, congratulations.

Operator: Thank you. The next question is from the line of Mohan Sharma from Vinayak Capital. Please proceed.

Mohan Sharma – Vinayak Capital: Congratulations, team EFC. Your furniture revenue increased 36% quarter-on-quarter, but segment profit fell from the 40% range to around 7%. Why did the margin drop?

Management: Nothing is wrong in the furniture segment. This segment is growing and stabilizing. If you look year-on-year and quarter-on-quarter, the top line is improving, and capacity utilization is increasing. Once we reach an optimal capacity utilization level, we will demonstrate more stabilized and measurable margins.

Comparing margins at a quarter-on-quarter level is not appropriate right now because we are not yet at full capacity. Services for specific types of projects have different margins. We are progressing toward optimal utilization by the end of this year, at which point we can compare margins more appropriately.

Mohan Sharma – Vinayak Capital: Is the furniture segment naturally low-margin, or were Q4 FY26 margins unusually high? Which quarter reflects the real run rate?

Management: We can provide the real run rate once we reach 60–70% capacity utilization. This business is value-accretive for us. We have strategies including OEM business, exports, institutional

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business, and customized solutions, all of which help expand margins. We expect an EBITDA of more than 25% once we reach stabilized, optimized utilization.

Mohan Sharma – Vinayak Capital: Thank you for the clarification.

Operator: Thank you. The next question is from the line of Fenal Brahn Bhut from Choice Institutional Equities. Please proceed.

Fenal Brahn Bhut – Choice Institutional Equities: Congratulations on a good set of numbers. What was the average occupancy rate and retention rate for the quarter?

Management: The average occupancy rate has been 90%+. Our presentation shows the operational billing capacities and inventory, which works out to roughly 90%.

Management: The retention rate is roughly 95%+. We only have a churn of about 4-5%. As mentioned in the presentation, our average tenure for enterprise clients has increased to 51 months, which is an improvement over previous quarters. This shows strong retention and insignificant churn, meaning we are strongly positioned regarding the stability of our leasing revenue.

Fenal Brahn Bhut – Choice Institutional Equities: On the design and build order book, you mentioned 228 crores. Can we have the end of Q4 FY26 number for comparison?

Management: You can refer to our Q4 presentation. The order book at the end of Q4 was 135 crores. We executed more than 100 crores of that, and the balance is under execution. This quarter, the order book is more than 228 crores, which is also currently under execution.

Fenal Brahn Bhut – Choice Institutional Equities: What can we expect from the design and build and furniture segments regarding CAGR or margins? For leasing, are you confident in the seat addition of 18,000 to 20,000?

Management: We are 100% confident in adding about 18,000 to 20,000 billable seats. We are also certain about the growth in design and build, which is roughly 50% year-on-year, and similar growth for furniture. This will bring us to optimal capacity utilization. We are absolutely confident in our growth targets for this financial year. Regarding margins, our focus is to ensure they remain stable or improve as we achieve economies of scale and capacity utilization across our integrated business and monetization models.

Fenal Brahn Bhut – Choice Institutional Equities: Could you share more on the demerger and restructuring? When can we expect this, and what is the impact on the financials?

Management: This is a restructuring and consolidation process. We are consolidating our corporate holding structure. At the end of this process, EFC (I) Ltd. will be the primary consolidated company containing the design and build and leasing verticals.

Asset holding companies will be kept as separate wholly owned subsidiaries for tax efficiency when we monetize them. The goal is to simplify the corporate structure. Everything will be under EFC (I) Ltd., with only the asset holding companies and E-design Industries Limited below it. The latter is a partnership company with our technical partner. This will simplify the structure, provide tax

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efficiency, and all income streams will be recorded in their respective segments—leasing, design and build, or furniture—with asset monetization reported as capital gains or revenue as appropriate.

Fenal Brahn Bhut – Choice Institutional Equities: Got it. Thank you and all the best.

Operator: Thank you. The next question is from the line of Ali from E&M Capital. Please proceed.

Ali – E&M Capital: Congratulations on the performance. Revenue is down 3% quarter-on-quarter and EBITDA is down 14% quarter-on-quarter, but profit after tax has gone up. Can you explain what drove the PAT increase despite weaker operating performance?

Management: First, there is no weaker operating performance. The EBITDA change is primarily due to Indian accounting standards. We always maintain that the best way to look at our company is at the PAT level. The company has improved its profitability due to our integrated business model, which brings efficiency, cost control, and economies of scale.

Leasing performed very well. While design and build had slightly lower turnover compared to the previous quarter—as Q1 is generally a slower starter—the current order book shows strong visibility. We also have incremental business in furniture. Additionally, we have rationalized our borrowing costs significantly, which contributes to the bottom line. Our borrowing costs relate to asset acquisition, such as LAP or NRT facilities. Overall, the improvement in PAT is driven by better capital deployment, operating performance from our integrated model, and economies of scale.

Ali – E&M Capital: Understood. Competition from Smartworks, WeWork India, IndiQube, and others seems to be increasing. What is EFC's key differentiator beyond price and speed?

Management: Price and speed of execution are key differentiators that we drive. Competition is present in every business, and we thrive on it. Our competitors have unique models, while ours is an integrated real estate as a service model. This makes us more accountable as a single turnkey partner.

Our moat consists of:

1. The integrated model with three different profitable revenue streams, rather than one revenue stream with cost centers.
2. Economies of scale and efficiency.
3. Price and execution capability.
4. Design capabilities.
5. Fit-out cost optimization.
6. Our presence across multiple cities, which is hard to replicate.
7. Our ability to perform asset monetization and achieve capital appreciation, which adds a source of revenue for investors.

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Ali – E&M Capital: What is the city concentration as of today, and where do you look to expand?

Management: Our city concentration is in our presentation. We are currently heavy in Western India as that is where we started. However, we are expanding across India. We currently have more than 15% in North India and 15% in South India and are growing in the East.

We are focused on ten major cities: three in the North (Gurgaon, Noida, Delhi), three in the South (Hyderabad, Bangalore, Chennai), and three in the West (Mumbai, Pune, Ahmedabad), plus Kolkata in the East. These are our core focus areas for expansion.

Ali – E&M Capital: Congratulations, sir.

Operator: Thank you. Ladies and gentlemen, that was our last question for today. I now hand the conference over to Ms. Nidhi Vijayvargiya for closing comments.

Management: I would like to thank the management for taking the time for the call today and all participants for joining. If you have any queries, feel free to contact us at Nuvama Wealth Management. Thank you.

Operator: On behalf of EFC (I) Ltd., that concludes this conference. Thank you for joining us and you may now disconnect your lines.