

REAL ESTATE (DEVELOPERS)

30 March 2026

Favour scale and execution in a normalising market cycle

- Market entering a phase of hyper-supply; expect moderation in avg. realisations (in line with CPI) driven by the recalibration of demand
- Demand to continue consolidating behind Grade-A developers with a focus on quality and consistency in the execution of projects
- Prefer developers with strong pipelines, low leverage, and premium positioning – PRESTIGE (BUY) and SOBHA (BUY)

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Cycle transitioning to measured growth: After a strong post-Covid upcycle (2022–2025), the residential market is entering a “**hyper-supply**” phase, with launches outpacing sales and early signs of demand moderation. While sales volumes declined ~0.6% in CY2025, **value growth (+8.9%) was driven by higher realisations**, pointing to a normalising pricing environment.

Demand shifting to value from exuberance: Homebuyer preferences evolved structurally towards **larger, amenity-rich homes**, with 3BHK+ share rising to ~52%. However, rising prices, macro uncertainty, and affordability constraints are expected to **recalibrate demand toward value-driven purchases**, pushing volumes, avg. unit size and price growth lower going forward.

Favourable long-term fundamentals intact: Despite near-term headwinds, the sector remains structurally strong, supported by **urbanisation, income growth, and rising working-age population**. Demand is increasingly consolidating towards **Grade-A developers** that now account for ~45% of supply, benefiting from brand trust, execution, and access to capital.

Growth to normalise; cashflows to strengthen: Over FY26E–FY29E, **booking value growth is expected to moderate (~10.4% CAGR)**, as **collections grow faster (~18.4% CAGR)** on execution-led cash flow realisations. Margins and balance sheets are improving sector leverage.

Prefer scale, balance sheet strength, and execution: Constructive on the sector, we **initiate coverage with a BUY on GODREJPROP, PRESTIGE, SOBHA and OBEROIRLTY**. Developers with **strong pipelines, low leverage, and premium positioning** are best placed to gain market share in a consolidating and more disciplined market cycle.

Recommendation snapshot

Ticker	Price	Target	Rating
GPL IN	1,505	2,211	BUY
OBER IN	1,457	1,754	BUY
PEPL IN	1,173	1,928	BUY
SOBHA IN	1,228	1,853	BUY

Price & Target in Rupees | Price as of 27 Mar 2026



Industry Overview

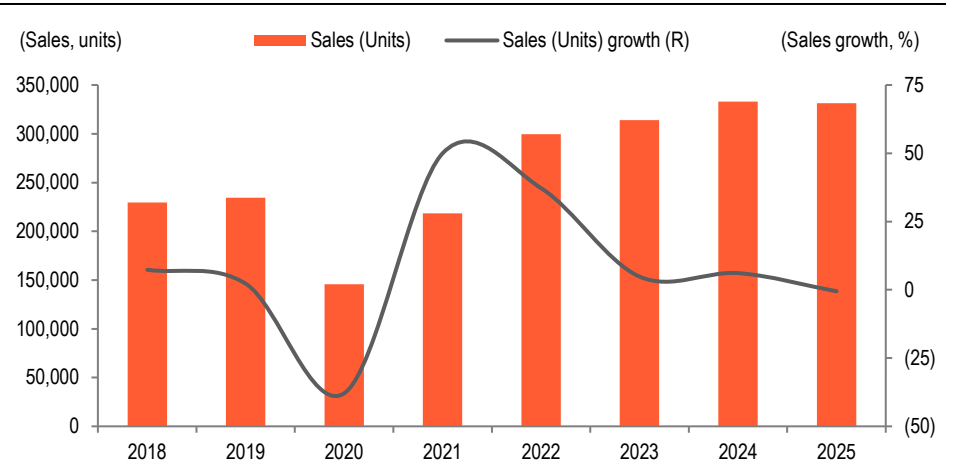
Transitioning to value-driven demand

CY2025 – moderation in volumes

Over CY2025, housing sales (Top 7 cities) declined ~0.6% YoY. Mumbai, Delhi NCR, Bengaluru and Pune made up ~73.5% of total sales (~74% in CY2017 and ~77% in CY2022) as Tier 2 cities continued to account for a growing proportion of sales. However, sales value increased by 8.9% YoY over the period, as avg. realisation/sf accelerated ~+9.6% YoY, driven by double-digit improvements in avg. realisations in Delhi NCR, Bengaluru and Hyderabad.

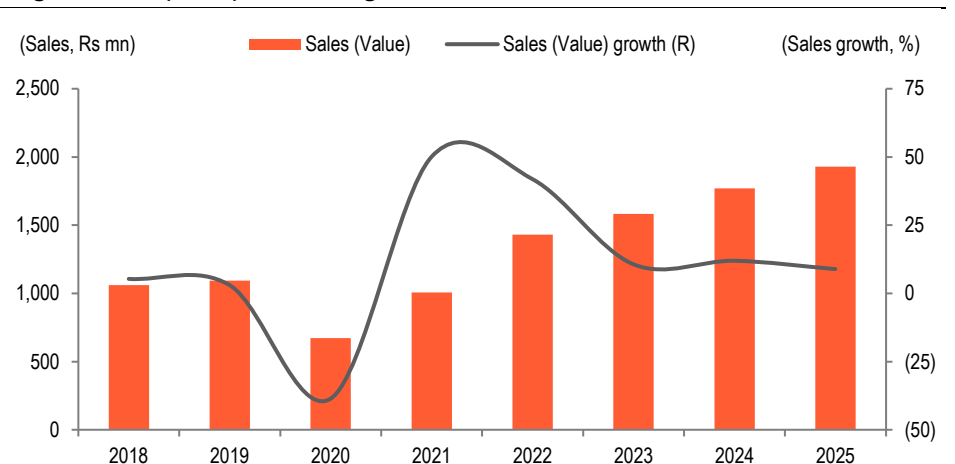
Despite robust demand, declining sales units and moderating sales value indicate that the residential market is entering a phase of hyper-supply, where we are likely to observe a moderation in avg. realisations driven by the recalibration of homebuyer demand.

Fig 1 – Sales (units) declining



Source: BOBCAPS Research, Knight Frank

Fig 2 – Sales (value) moderating



Source: BOBCAPS Research, Knight Frank

Fig 3 – Avg. realisations accelerating



Source: BOBCAPS Research, Knight Frank

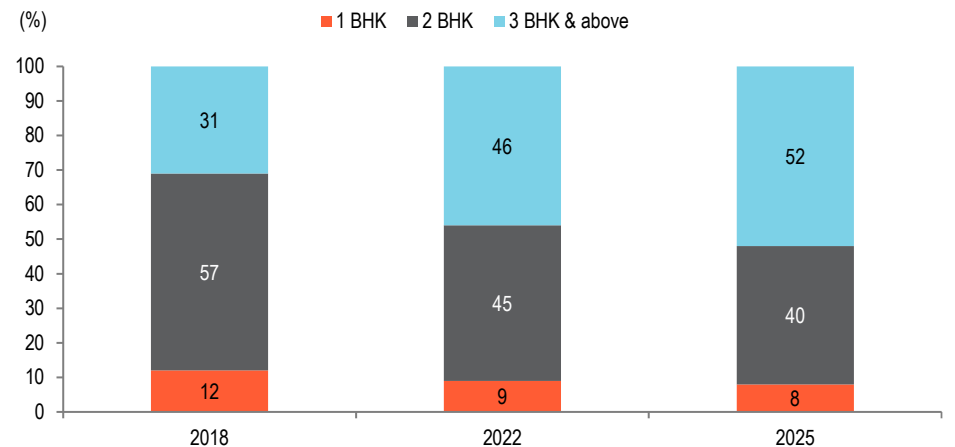
Current stage of cycle: Hyper-supply

As NBFC funding dried up post the IL&FS credit crisis (2018-2020), launches lagged demand and sales (both units and value) declined despite a decrease in avg. realisations. 2 BHK sales, made up ~57% of total transactions.

The Covid pandemic triggered a paradigm shift in homebuyer preference toward larger homes, as remote work became widespread. Simultaneously, there was an increased emphasis on self-contained residential ecosystems with amenities.

As the pandemic passed, driven by higher incomes and aspirational lifestyles, buyer preferences persisted with larger, lifestyle-focused, amenity-rich homes. As of CY2025, ~52% of homes bought were 3 BHK/larger (~46% in 2022 and ~31% in 2018) as the average unit size expanded to 1,657sf (+7.6% YoY). As a direct consequence of the buyer’s preference for quality, demand consolidated behind Grade-A developers, who made up ~45% of total supply (from ~28% in 2020). **In line with homebuyer demand, developers emphasised luxury and ultra-luxury housing, pushing avg. unit sizes and avg. realisations higher.**

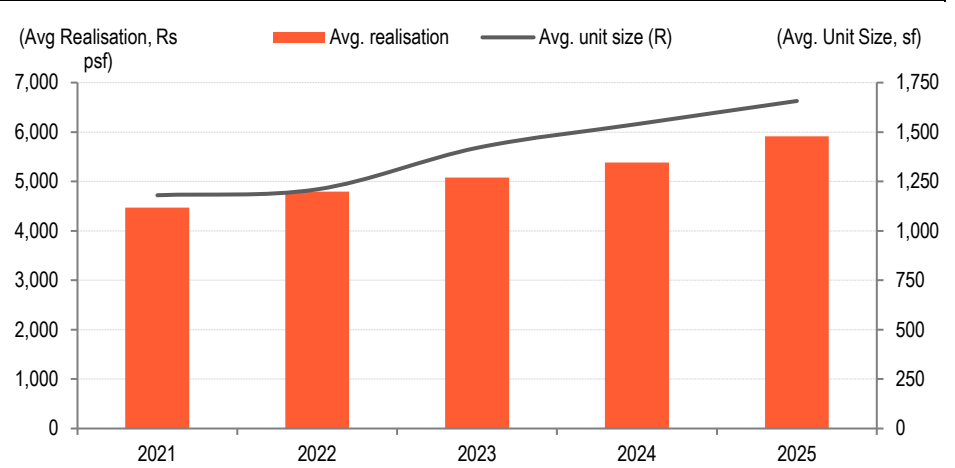
Fig 4 – Demand skewing towards larger houses



Source: BOBCAPS Research, ANAROCK

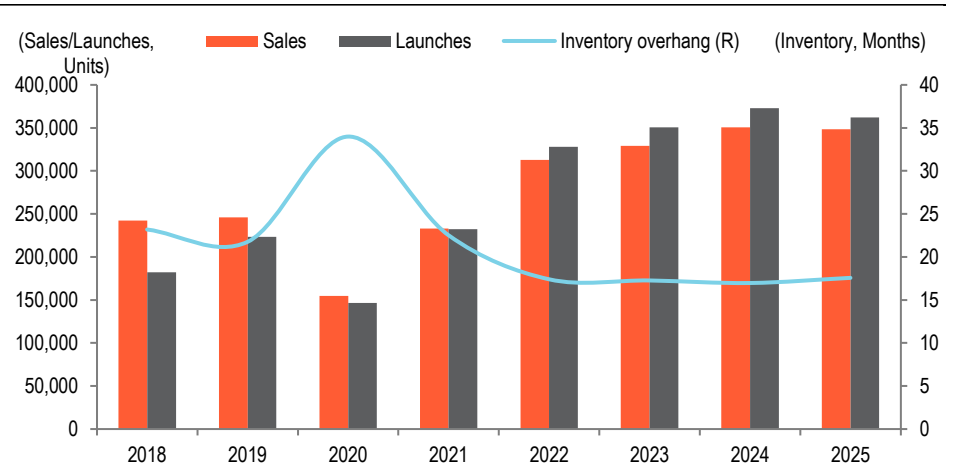
This period of exuberance (2022-2025) has also coincided with launches exceeding sales. Despite a low inventory overhang (~18 months as of CY2025) pointing towards robust demand environment, we expect high prices and the prevailing macro-economic uncertainty to weigh on the homebuyer sentiment. **We believe that the moderation in sales (both units and value), in the face of accelerating avg. realisations, portend a period of measured growth.**

Fig 5 – Bigger and more expensive homes



Source: BOBCAPS Research, ANAROCK

Fig 6 – Since Covid, launches have exceeded sales



Source: BOBCAPS Research, Knight Frank

Outlook: Value-driven demand

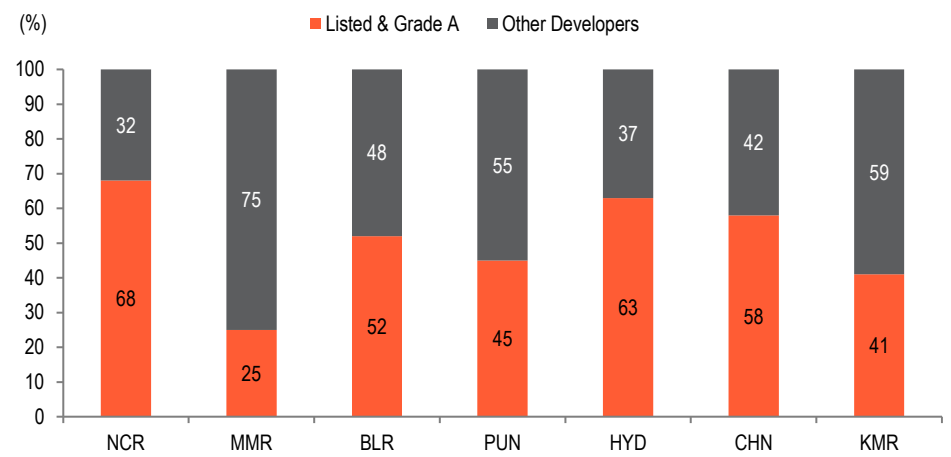
Low interest rates, robust spending on infrastructure, growing incomes (per capita) and increasing urbanisation — all make for a structurally strong environment for residential real estate. However, macro-economic uncertainty is likely to push inflation and interest rates higher, constraining financing. Coupled with the AI-led disruption, which is expected to put many jobs at risk, typical homebuyers will most likely recalibrate their housing demand. With inventories showing signs of inching up, developers too will face pricing pressures, resulting in the moderation of realisations.

Going forward, we remain upbeat about the industry’s prospects. Population across India’s top 7 cities is projected to expand at 2.25% CAGR over 2020-2035, increasing

from ~105.5mn to ~147.3mn. The working-age population (15-59 years) is projected to rise to 65% by 2031 from 64% in 2021, continuing to outpace growth in non-working age cohorts (<14 and >60 years), supporting household formation and housing demand.

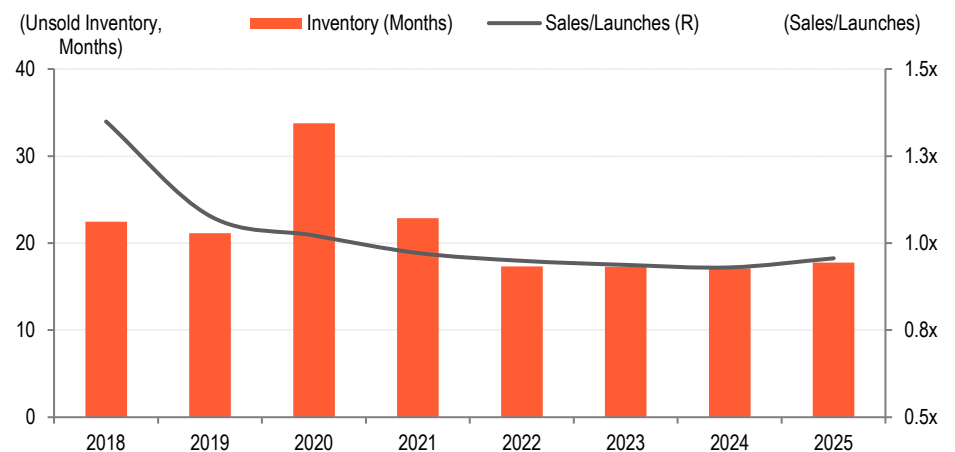
We expect demand to continue consolidating behind Grade-A developers with a focus on quality and consistency. Given the sharp increase in avg. realisations and the inventory build-up, we believe sales (units and value) will moderate, especially relative to the exuberance seen over 2022-2025. In this phase of residential real estate, residential sales (both units and value) are likely to grow in the late single digits and avg. realisations to grow in-line with inflation.

Fig 7 – Demand has consolidated into Grade-A developers



Source: BOBCAPS Research, ANAROCK

Fig 8 – Inventory overhang inching upwards



Source: BOBCAPS Research, Knight Frank

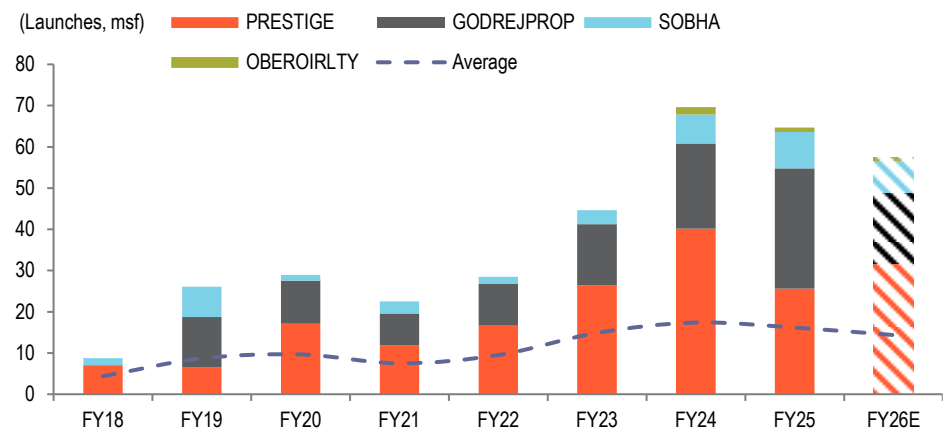
Residential Developers – Post-Covid wave dissipating

Launch momentum to moderate as developers recalibrate to normalising demand

Launches on track to be -11.2% below FY2025

Over FY18-FY21, residential developers under our coverage launched ~21.6msf/Y as PRESTIGE made up the bulk (~54%) of the launches. Post the first wave of Covid-19, average launches increased to ~51.9msf/Y, on the back of launches by PRESTIGE and GODREJPROP as developers worked to benefit from the increased emphasis on housing. Since FY24, launches have trended downwards, mostly due to regulatory hurdles. **However, amid additional macro-economic uncertainties — especially over FY26 — that are expected to dampen consumer sentiment and push inflation higher, we expect developers to scale back launches over FY26; lower by ~-11.2% YoY.**

Fig 9 – FY26E launches on track to be -11.2% below FY25



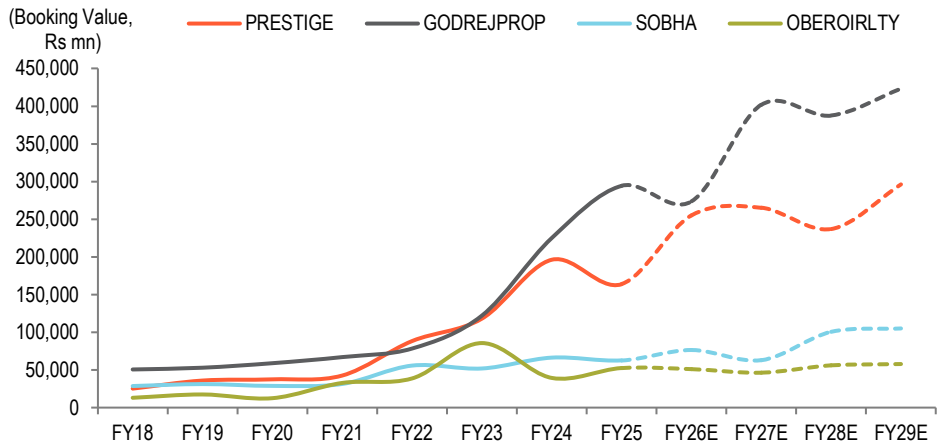
Source: Company, BOBCAPS Research

Over FY22-25, developers under our coverage witnessed robust homebuyer demand, that helped push booking values by ~+35% CAGR. **GODREJPROP registered the highest growth over the period (~+45% CAGR) vs peer average of ~29%, supported by a steady pipeline of launches that grew by ~+39.2% CAGR (vs peer average of ~13.6%).** Collections grew by +33.9% over the period, driven by the efficient execution of projects. **GODREJPROP also registered the highest growth in collections (~+43.5%), owing to the accelerated pace of construction and project completions.**

Over FY26E-29E, we expect GODREJPROP to deliver the highest growth in booking value (+17% CAGR), led by its robust launch pipeline. However, we believe SOBHA is best placed to achieve the highest growth in collections (+45.3%), given that the developer recognises its back-log of bookings because of the acceleration in project completions and strong sustenance sales from its existing inventory.

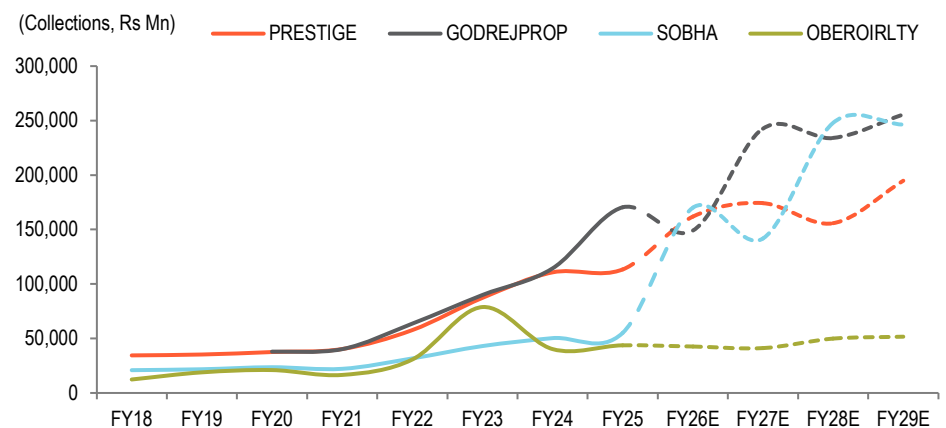
We expect developers under our coverage to grow booking values by +12.3% CAGR over FY26E-29E, as avg. realisations grow at more normalised rates with homebuyers recalibrating housing needs — resulting in ~+20.6% growth in collections.

Fig 10 – Growth in booking values to moderate



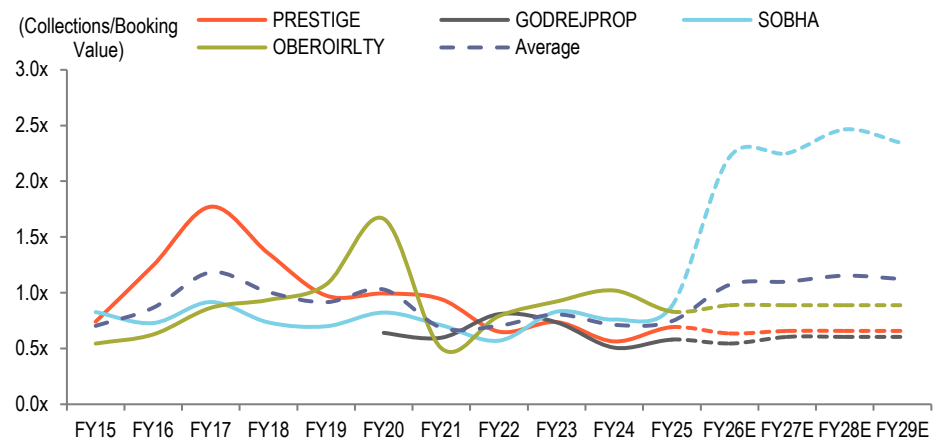
Source: BOBCAPS Research, Company

Fig 11 – Collections to grow faster than booking values



Source: BOBCAPS Research, Company

Fig 12 – Collections/booking value ratio to tick back up to ~1.1x

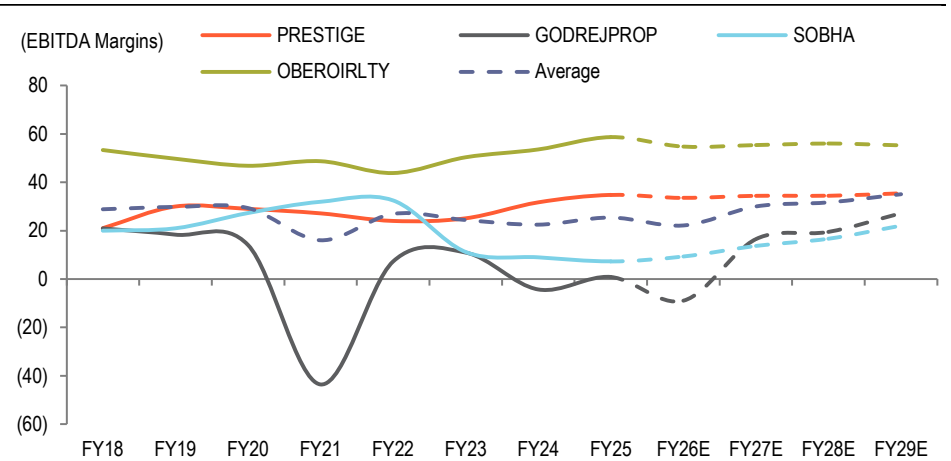


Source: Company, BOBCAPS Research

Comparing collections against booking values, residential developers under our coverage averaged ~0.9x over FY18-FY21, due to inventory-driven sales and relatively lower launches. Over FY22-25, the ratio was driven lower to ~0.7x with the pace of launches picking up. **Going forward, we expect collections to improve faster than booking values (due to a lower pace of launches), resulting in the collections/booking value ratio ticking back up to ~1.1x.**

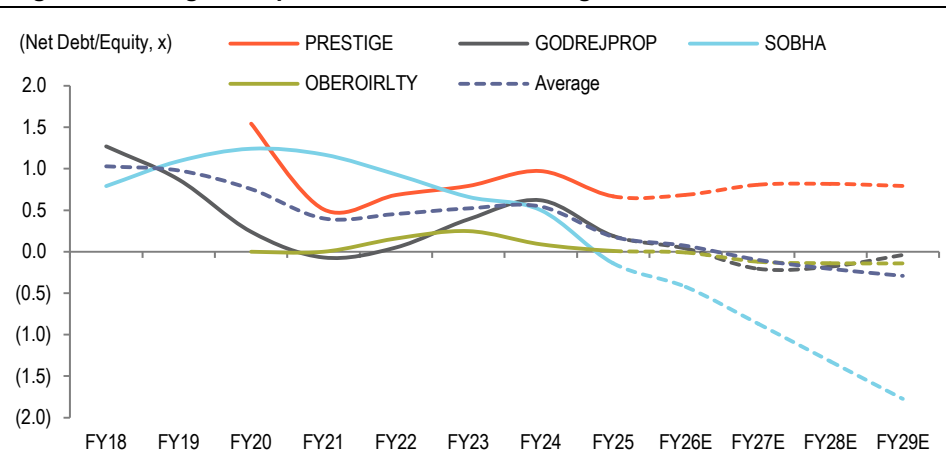
For developers under our coverage, EBITDA margins over FY18-FY21 deteriorated ~12.8pps as avg. realisations remained under pressure and existing inventory weighing on developers. However, over FY22-25, avg. realisations trended upwards as demand recovered; resulting in EBITDA margins improving by ~9.4pps. **Over FY26E-29E, we expect EBITDA margins to improve by ~9.6pps, driven by improvements in avg. realisations and cost optimisation by developers.**

Fig 13 – Moderate improvement in EBITDA margins



Source: BOBCAPS Research, Company

Fig 14 – Leverage to improve on the back of strong cashflows



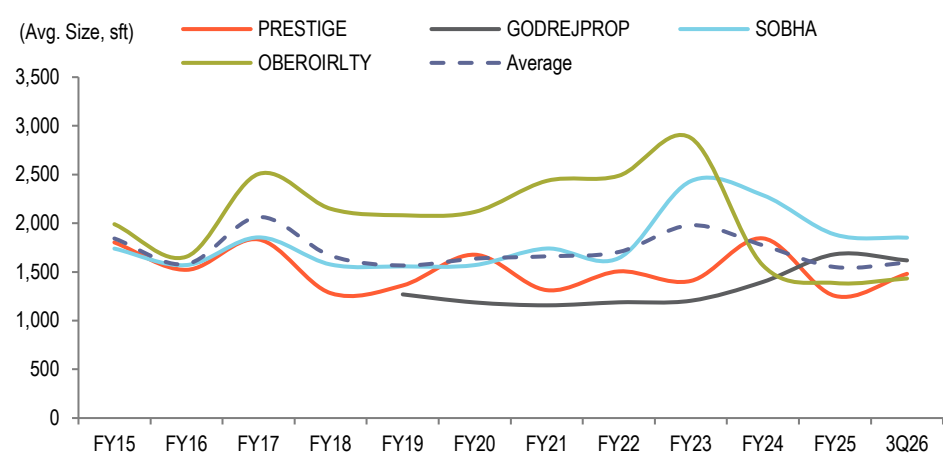
Source: Company, BOBCAPS Research

Robust collections and cashflows have resulted in lower leverage (Net Debt/Equity) for the developers under our coverage. Over FY18-FY21, developers improved their leverage from ~1.03x to ~0.44x and further still over FY22-25 to ~0.18x. As of Q3FY26, both SOBHA and OBEROIRLTY have turned net debt negative (-0.17x and -0.02x respectively). We remain optimistic about developers' ability to optimise cashflows and expect average leverage across our coverage to be ~-0.47x over FY26E-FY29E.

Covid raised the bar for homebuyers; expectations now set to normalise

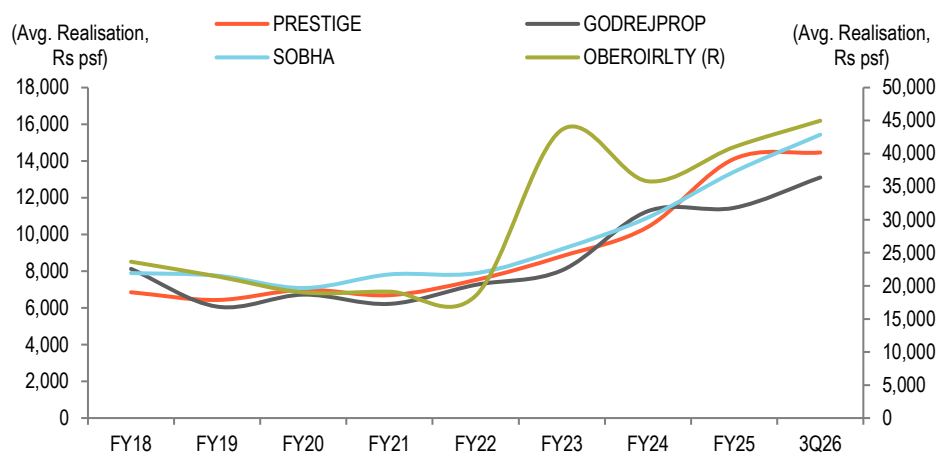
Driven by the Covid-19 pandemic, there was increased emphasis on homeownership. Homebuyers pushed for their homes to be bigger (as remote work gained traction), equipped with more amenities (driving avg. realisations higher). Over FY22-25, avg. unit size increased by ~+8.9% CAGR as avg. realisations improved by ~+6.35% CAGR. For the developers under our coverage, avg. unit size decreased by ~-1.7% CAGR and avg. realisations improved by ~+19.0% CAGR. **Over the period, GODREJPROP achieved the highest increase in avg. unit size (+9.8% CAGR) and OBEROIRLTY achieved the highest improvement in avg. realisation (+21.0% CAGR).**

Fig 15 – Avg. Unit size has remained constant



Source: Company, BOBCAPS Research

Fig 16 – Realisations have improved significantly



Source: BOBCAPS Research, Company

We believe that as improvements in avg. realisations continue to match pace with the increase in GNI/capita (over FY18-FY25), we expect avg. realisations to continue to tick upwards, albeit at a slower pace as homebuyers recalibrate their needs (size and amenities). Over FY26E-29E, we expect developers under our coverage to deliver no material change in avg. unit size, but improve avg. realisations at a normalised pace of ~+12.1% CAGR.

Godrej Properties Ltd (GODREJPROP)

Fig 17 – GODREJPROP Snapshot

	FY23	FY24	FY25	9MFY26
Area Completed (msf)	10.50	12.50	18.30	4.70
Area Sold (msf)	15.21	20.00	25.73	19.74
Units Sold	12,631	14,310	15,302	12,726
Launches (msf)	14.84	20.65	29.20	12.80
Inventory (msf)	12.18	13.98	17.24	21.62
Average Realisation (Rs)	8,041	11,264	11,443	12,162
Cities	10	11	11	15
Highest Concentration	PUN (24%)	PUN (23%)	MMR (23%)	MMR (20%)
Net Debt/Equity	0.39	0.62	0.19	0.37
Average Cost of Debt (%)	6.65	7.82	7.80	7.25
Avg. size of unit sold (sqft)	1,204	1,398	1,681	1,551

Source: Company, BOBCAPS Research

Investment Rationale

- **GODREJPROP is the largest listed developer** in terms of booking values, collections and operating cashflows. As homebuyers increasingly favour Grade A developers, GODREJPROP is likely to be the key beneficiary of the consolidation of homebuyers' demand, owing to its pan India execution capability and brand. We believe that the developer is well placed to raise market share meaningfully (~4.8% as of Q3FY26).
- The developer's **large, already-sold and construction-in-progress pipeline** provides superior earnings visibility (Rs ~77,000mn of unrecognised revenue to flow through over FY26E-FY29E).
- **GODREJPROP has a robust B/S** (Net Debt/Equity of ~0.37x as of 3QFY26) despite expanding booking values and collections by +39.8% and +35.1% CAGR respectively (above peer average 25.5% and 20.4% CAGR respectively) over FY18-FY25. The developer's conservative balance sheet preserves optionality to compound at higher rates.

Business Description

GODREJPROP is a residential real estate developer, established in 1990 and backed by the Godrej Group. The developer has a pan India presence, with active projects across Mumbai (MMR), NCR, Bangalore, Pune, Hyderabad, and expanding into Tier-2 cities (Nagpur, Kolkata, Ahmedabad, Indore, Raipur, Vadodara, Chennai).

The business earns through three main structures: outright land purchases, joint ventures / profit-share arrangements, and development management agreements. The developer has been actively consolidating its JVs to grow economic interest, which has improved from ~50% in CY21 to 87% in CY25.

GODREJPROP's market share has doubled from 2.4% in CY21 to 4.8% in CY25. The developer has been investing heavily in construction execution — labour management systems, Tier-1 contractor partnerships (Leighton, KEC, Ahluwalia), and bulk

procurement — to support delivery at scale. The developer carries the highest credit rating for any residential developer in India (AA+/Stable from ICRA) and the lowest average borrowing cost in the sector at 7.25%.

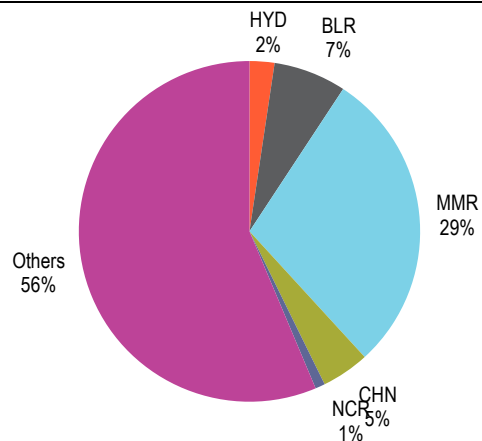
GODREJPROP is managed by:

- **Pirojsha Godrej (Executive Chairperson)** who has been associated with Godrej Properties since 2004. He is a graduate of the Wharton School of Business, holds an MBA from Columbia Business School, and a master’s degree in international Affairs from Columbia University.
- **Gaurav Pandey (Managing Director and Chief Executive Officer)** who has over 20 years of experience in real estate and has been associated with Godrej Properties for over eight years. Previously, he was the CEO of Burman GSC and was associated with Ascendas India and PropEquity. He is an alumnus of the University of Delhi and IIM-Kozhikode.
- **Nadir Godrej (Non-Executive Director)** who has been associated with Godrej Industries since 1977. He pursued a bachelor’s degree in Chemical Engineering from the Massachusetts Institute of Technology and holds an MBA from Harvard Business School.

Portfolio

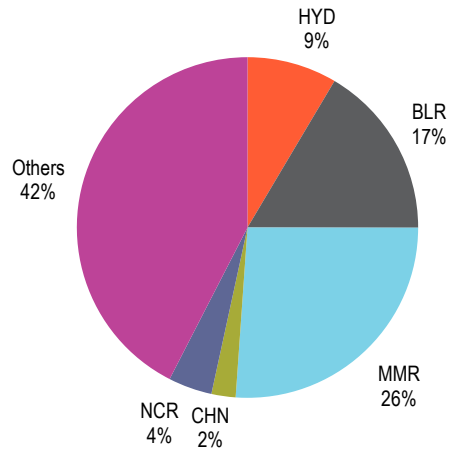
As of Q3FY26, GODREJPROP holds a total saleable area of ~227msf (224.24msf GODREJPROP share) across 117 projects spread across 12 cities. Unsold inventory stood at ~100msf (~22msf launched) and upcoming inventory ~81msf.

Fig 18 – Existing Inventory



Source: Company, BOBCAPS Research

Fig 19 – Upcoming Inventory



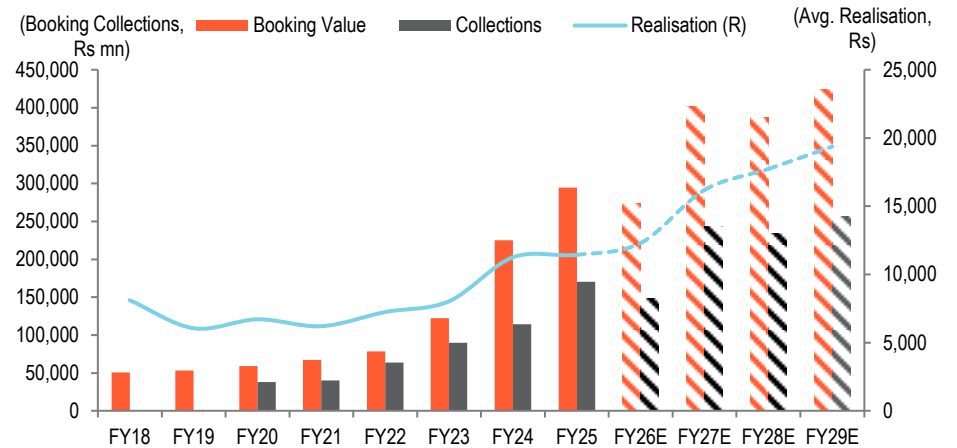
Source: Company, BOBCAPS Research

Performance

Over FY18-FY25, GODREJPROP, helped by its strong execution, ramped up its booking values by +39.8% CAGR and improved collections by ~+35.1% CAGR (above peer average of 25.5% and 20.4% respectively). Over the period, the developer pushed avg. realisations up +7.3% CAGR as it sold units that grew +4.8% CAGR in size.

Over FY26E-29E, we expect the developer to grow booking values and collections at a more moderate pace of +9.5% and +10.7% CAGR, respectively. As construction ramps up and pushes collections higher, GODREJPROP is well placed to expand its market share, owing to its wide geographical footprint and well-developed pipeline.

Fig 20 – GODREJPROP outperforming peers



Source: Company, BOBCAPS Research

Prestige Estates Projects Ltd (PRESTIGE)

Fig 21 – PRESTIGE Snapshot

	FY23	FY24	FY25	9MFY26
Area Completed (msf)	15.68	25.56	3.04	12.71
Area Sold (msf)	13.57	18.57	11.95	14.30
Units Sold	9,644	10,068	9,537	8,598
Launches (msf)	26.38	40.18	25.63	23.83
Inventory (msf)	-	10.72	13.85	12.43
Average Realisation (Rs)	8,812	10,410	14,113	13,942
Cities	13	13	13	13
Highest Concentration	BLR (55%)	BLR (54%)	BLR (47%)	BLR (48%)
Net Debt/Equity	0.79	0.97	0.67	0.72
Average Cost of Debt (%)	10.07	10.69	10.32	9.47
Avg. size of unit sold (sqft)	1,407	1,844	1,253	1,663

Source: Company, BOBCAPS Research

Investment Rationale

- PRESTIGE possess robust **multi-year growth visibility from a large pipeline** of ~Rs 400,000mn GDV of launches and a large land bank (~92msf of development potential). The rapid expansion into high-value markets like MUM and NCR, combined with strong sales momentum (+30.3% CAGR over FY18-FY25), provides high earnings visibility over the next 3-5 years.
- The developer operates a **diversified platform with a meaningful pickup in annuity income**. Rental income is expected to grow at an annualised rate of ~56% over FY26E-FY29E as its existing portfolio stabilises and new rental properties are added into the portfolio.
- The developer has demonstrated disciplined management of leverage (Net Debt/Equity of ~0.52x, as of Q3FY26). The plans to float its Hospitality business could potentially position the business to de-leverage further, fund growth without excessive dilution and unlock embedded value in the non-core verticals.

Business Description

PRESTIGE is a large, diversified real estate developer based out of BLR, operating across Residential (core growth engine), Commercial (Offices), Retail (Malls), Hospitality and Property Management (maintenance, contracting, interiors) verticals. The developer operates an integrated model (development, leasing, operation and maintenance) that helps improve control over its projects' margins and execution.

The developer also has a sizeable annuity portfolio of commercial and retail assets, that generated ~Rs 2,000m as of Q3FY26 and is expect to grow at an annualised rate of ~56% as new projects are brought online.

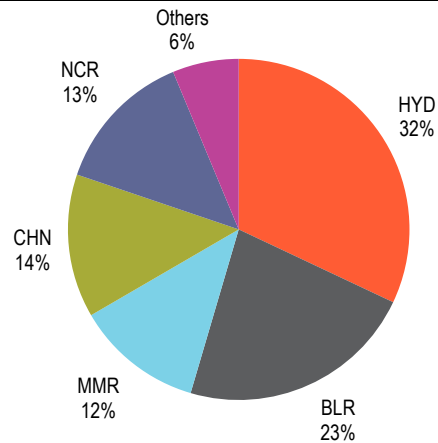
PRESTIGE is managed by:

- **Irfan Razack (Chairman)**, who has over 40 years of experience in the real estate sector and co-founded Prestige Estates Projects Limited in 1986, expanding the family’s retail business into real estate development. Under his leadership, the company has developed a diversified portfolio across residential, commercial, retail, and hospitality segments in major Indian cities. He is recognised for his strategic vision, focus on quality, and customer-centric approach.
- **Zayd Noaman (Executive Director)**, who has been associated with Prestige Group since 2015. He oversees strategy, corporate finance, IR and business development. He holds a B.Sc. in Corporate Finance & Accounting from Bentley University and MBA from Columbia Business School and London Business School.
- **Amit Mor (Chief Financial Officer)**, who has 16+ years of experience in Accounting, Risk Management and Audit. He was previously associated with S.R Batliboi & Associates LLP. He is an associate member of Institute of Chartered Accountants of India and holds a bachelor’s degree in Commerce.

Portfolio

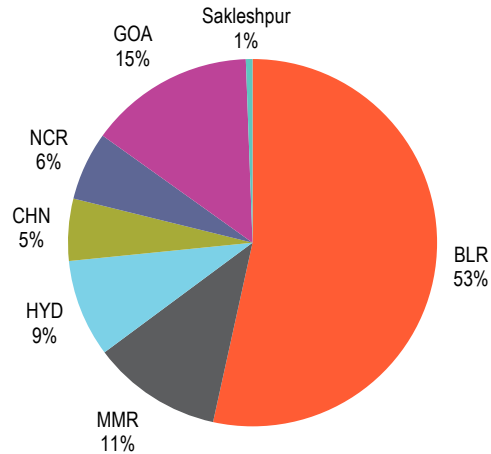
As of Q3FY26, the developer had an unsold inventory of ~12.43msf (~6,015 units) spread mostly across BLR, HYD and CHN. The developer has an additional 95msf of ongoing and ~42msf of upcoming residential projects affording it a large, continuously growing pipeline that provides strong visibility for launches and sales.

Fig 22 – PRESTIGE unsold inventory



Source: Company, BOBCAPS Research

Fig 23 – PRESTIGE’s upcoming inventory



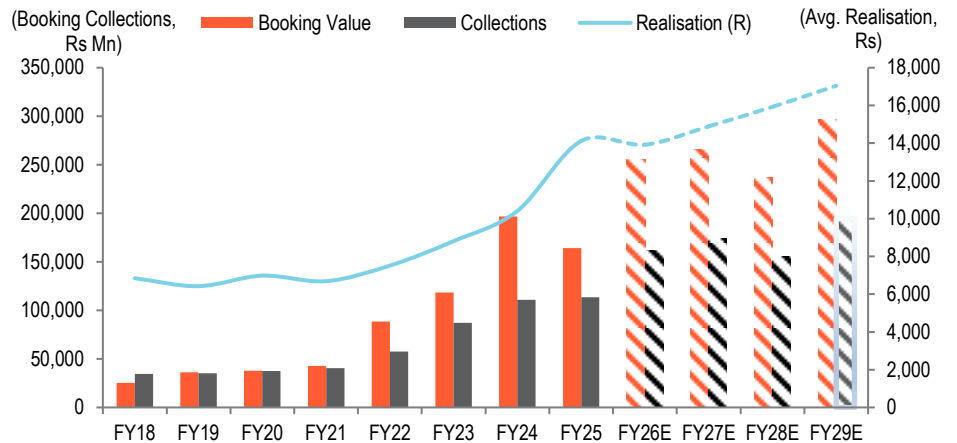
Source: Company, BOBCAPS Research

Performance

Over FY18-FY25 PRESTIGE, grew booking values by +30.3% CAGR and improved collections by ~+15.8% CAGR, as execution lagged sales. Over the period, the developer pushed avg. realisations up +20.5% CAGR, despite selling units that contracted ~-4.6% CAGR in size, given its increasingly premium offerings.

Over FY26E-29E, we expect volume-driven growth to push booking values and collections at a more moderate pace of +16.0% and +14.5% CAGR, respectively. PRESTIGE is well placed to benefit from its premium offerings and growing annuity revenues.

Fig 24 – PRESTIGE - strong growth in sales



Source: Company, BOBCAPS Research

Sobha Ltd (SOBHA)

Fig 25 – SOBHA Snapshot

	FY23	FY24	FY25	9MFY26
Area Completed (msf)	3.97	4.39	4.54	3.64
Area Sold (msf)	5.66	6.08	4.69	4.21
Units Sold	2,326	2,657	2,490	2,316
Launches (msf)	3.46	7.02	8.76	5.85
Inventory (msf)	7.33	7.55	11.44	8.57
Average Realisation (Rs)	9,200	10,922	13,412	14,482
Cities	11	11	12	12
Highest Concentration	BLR (69%)	BLR (66%)	BLR (66%)	BLR (70%)
Net Debt/Equity	0.66	0.5	-0.14	-0.17
Average Cost of Debt (%)	8.93	9.35	9.12	7.94
Avg. size of unit sold (sqft)	2,433	2,288	1,884	1,818

Source: BOBCAPS Research, Company

Investment Rationale

- SOBHA has a **backlog of ~Rs 186,000mn of unrecognised revenue that is expected to flow through and push margins higher** (as execution of higher margin projects near completion). EBITDA margins are expected to improve substantially (+14.7pps) as the developer rotates into an improved project-mix over FY26E-29E.
- **Improved cashflow** is expected to afford the developer the ability accelerate construction, invest aggressively in new business and maintain a net-cash position. From ~0.79x (Net Debt/Equity), the developer has improved leverage to -0.17x as of Q3FY26 and is expected to further improve over FY26E-FY29E on improved cashflows.
- SOBHA's unique backward integrated model, a backlog of unrecognised revenue, ~422 acres of already-owned land bank (~42.8msf of approval-stage developable land) — provide the developer **superior earnings visibility across India's strongest residential markets** (BLR, NCR and MUM).

Business Description

SOBHA is a fully backward-integrated real estate developer, controlling nearly the entire value chain in-house — land acquisition, design, architecture, construction, glazing and metalworks, interiors, concrete products, and mattresses. The developer's unique backward integrated model enables in-house concept-to-completion delivery, with an execution track record of 580+ precision-built residential and commercial projects across 27 cities and 14 states.

SOBHA's business model enables tighter control over construction quality and delivery timelines, helping the developer's manufacturing subsidiaries (glazing, interiors, concrete) serve as a structural cost buffer. The developer operates across residential real estate (~90% of revenue), contractual civil construction (winding down), and manufacturing and retail (glazing, interiors, concrete products). It has completed 150.1msf cumulatively and currently has 39.89msf under development.

BLR remains the developer’s dominant market, accounting for ~56% of total booking value over 9MFY26. The unit mix is actively shifting towards the Rs 20-50mn sweet spot from the super-luxury heavy mix over FY25, when >Rs 50mn homes contributed 29%. Avg. realisation has been climbing steadily, Rs14,486/sq. ft for 9M FY26 (~+8.0% YoY).

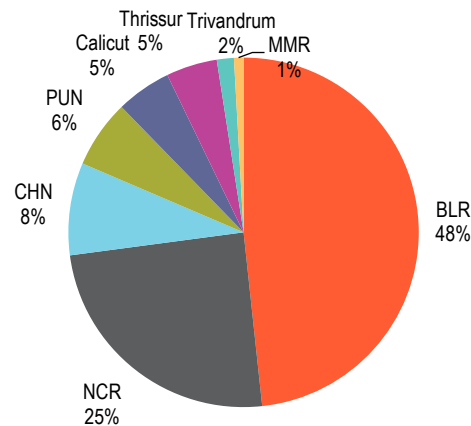
SOBHA is managed by:

- **Ravi PNC Menon (Chairman)**, who has over 20 years of experience in real estate and joined Sobha in 2004 as Director. He was awarded “Best CEO of the Year 2016” and “EY Entrepreneur of the Year 2013.” He pursued Civil Engineering at Purdue University, USA.
- **Jagadish Nangineni (Managing Director)**, who brings 20+ years of experience in real estate, technology and consulting. He is associated with Sobha since 2009. He holds B.Tech in Civil Engineering from IIT Bombay and PGDM from IIM Calcutta.
- **Nisanth M N (Deputy Managing Director)**, who has been associated with Sobha since 2002 and has demonstrated expertise in Business Development, Engineering and Technology, and Product Design and Development. He pursued B.Tech in Civil Engineering from Government Engineering College, Thrissur.

Portfolio

SOBHA’s inventory as of Q3FY26 was made up of ~90msf developed (SBA of ~65.3msf), 36.8msf ongoing (SBA of 26.1msf), and 16.5msf of upcoming SBA. Bangalore dominates the developer’s inventory, with 68.4msf completed and 19.7msf ongoing projects. NCR has 6.6msf ongoing, Kerala 7.0msf, with smaller developments in Tamil Nadu and other regions.

Fig 26 – Upcoming Inventory



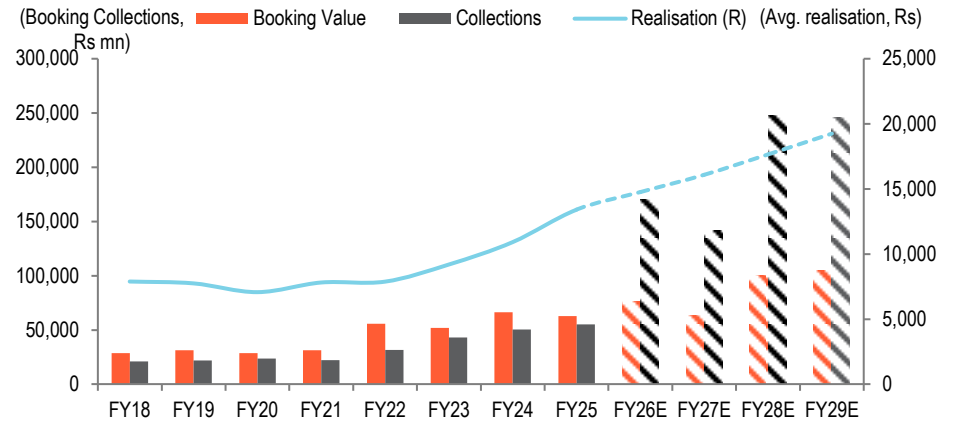
Source: Company, BOBCAPS Research

Performance

Over FY18-FY25 SOBHA, grew booking values by +15.3% CAGR and improved collections by ~+14.7% CAGR, as execution kept pace with sales. Over the period, the developer pushed avg. realisations up +14.4% CAGR as avg. units grew ~+2.0% CAGR in size, delivering bigger and more premium offerings.

Over FY26E-29E, we expect growth in booking values to keep pace with collections owing to the well-developed launch pipeline (+13.8% CAGR) and collections likely improving (as executions to accelerate) at a rate of +45.3% CAGR, respectively. SOBHA is well placed to benefit from the pickup in the pace of projects' construction.

Fig 27 – SOBHA - Collections to improve materially



Source: Company, BOBCAPS Research

Oberoi Realty Ltd (OBEROIRLTY)

Fig 28 – OBEROIRLTY Snapshot

Oberoi	FY23	FY24	FY25	9MFY26
Area Completed (msf)	1.23	0.99	0.93	0.70
Area Sold (msf)	1.97	1.10	1.28	0.79
Units Sold	684	704	927	469
Launches (msf)	-	1.77	1.10	0.61
Inventory (msf)	3.01	3.70	3.53	3.14
Average Realisation (Rs)	43,580	35,793	40,976	47,773
Cities	1	1	1	1
Highest Concentration	MMR (100%)	MMR (100%)	MMR (100%)	MMR (100%)
Net Debt/Equity	0.25	0.09	0.01	(0.02)
Avg. size of unit sold (sqft)	2,875	1,566	1,385	1,684

Source: BOBCAPS Research, Company

Investment Rationale

- OBEROIRLTY has a **substantial volume of launch-ready inventory that is expected to come online over FY27**. High avg. realisations (~Rs 47,700/sf over 9MFY26 vs peer average of ~Rs 22,000) and an offering targeted at HNI/UHNI is expected to deliver steady growth in booking values.
- The developer's **substantial annuity portfolio is approaching stabilisation**, and is expected to push rental incomes by ~+18% CAGR over FY26E-FY29E to reach ~Rs 17,000mn over the period.
- OBEROIRLTY has a **strong balance sheet and high margin discipline** that affords the developer meaningful downside protection. Owing to its ultra-luxury offerings, the developer has achieved margins of ~50% (vs peer avg. of ~25.4%) over FY18-FY25. Leverage (Net Debt/Equity), as of Q3FY26, was at -0.02x — the lowest among peers.

Business Description

OBEROIRLTY is a premium Mumbai-focused real estate developer operating across three segments: residential development, investment properties (office, retail, hospitality), and property management. The business is highly concentrated in Mumbai's western suburbs (Goregaon, Borivali, Mulund/Thane), with an emerging NCR presence via Gurugram. The developer has a deliberate premium/luxury positioning with higher EBITDA margins 50.7% over FY18-FY25 (vs peer avg. of 25.4%).

The developer operates a portfolio of annuity assets (commercial, retail and hospitality) that accounted for ~13% of operating revenues as of Q3FY26. As rental income accelerates further with the pick-up in revenues from Sky City Mall and Ritz-Carlton, we believe OBEROIRLTY's annuity portfolio is going to be an increasingly meaningful portion of the business.

OBEROIRLTY is managed by:

- **Vikas Oberoi (Chairman and Managing Director)**, who brings over 20 years of experience and has been associated with Oberoi Realty since inception. He is an alumnus of Harvard Business School.
- **Saumil Daru (Director - Finance)**, who has over 25 years of experience in Accounts, Tax, and Finance. He was previously associated with Ernst & Young and Arthur Andersen. He is a qualified Chartered Accountant and an alumnus of Harvard Business School and Mumbai University.
- **Bindu Oberoi (Non-Independent, Non-Executive Director)**, who has been associated with Oberoi Realty since 2006 and serves as a Board Director. She is a Commerce graduate from Mumbai University.

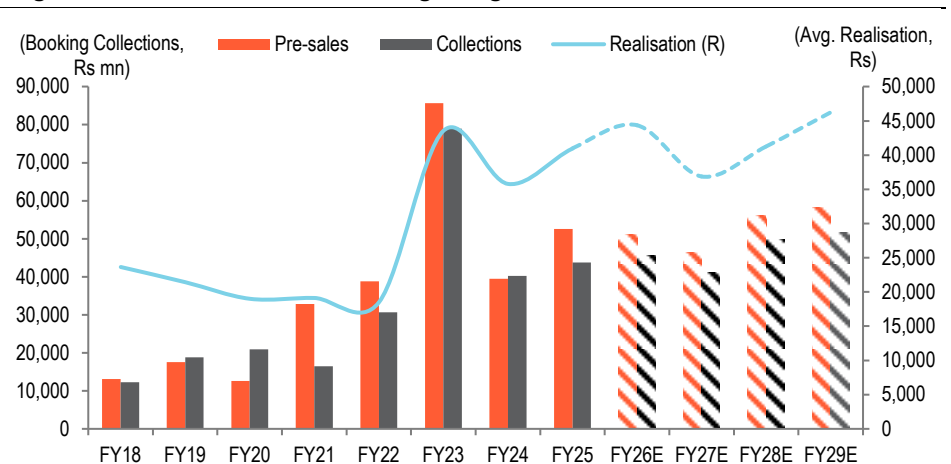
Portfolio & Performance

As of Q3FY26, OBEROIRLTY had unrecognised revenues of ~Rs 58,270mn spread across 7 projects, which are expected to flow through as its projects reach completion thresholds. These projects have ~Rs 140,000mn of unsold inventory and ~Rs 58,000mn of booked value that has not been recognised. We expect FY27 to be a pivotal year for OBEROIRLTY, as residual revenues get recognised, expansion into GGN bears fruit and annuity portfolio stabilises.

Over FY18-FY25 OBEROIRLTY, grew booking values by +16.8% CAGR and improved collections by ~+16.2% CAGR as execution kept pace with sales. Over the period, the developer pushed avg. realisations up +21.0% CAGR (vs. peer avg. of +15.8%) despite selling units that contracted ~-4.6% CAGR in size, in clear evidence of the high demand for its premium properties.

Over FY26E-29E, we expect growth in booking values to moderate (+2.5% CAGR) as collections improve (execution to accelerate) at a rate of +4.2% CAGR, respectively. OBEROIRLTY is well placed to benefit from the pickup of the construction of its projects the rents from its annuity portfolio.

Fig 29 – OBEROIRLTY - collections gaining momentum



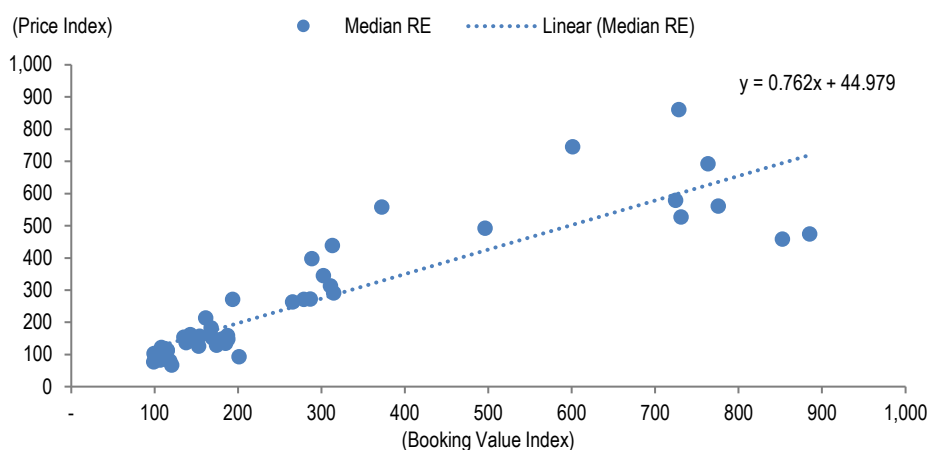
Source: Company, BOBCAPS Research

Valuation

Stock prices highly correlated with booking value

Over FY15-FY25, stock prices of developers under our coverage rose ~17% CAGR, as booking values increased by ~15% CAGR. Based on a regression of stock prices vs booking values over the period, we observe that the two are highly correlated ($R^2 \sim 78\%$). Accordingly, we believe that the stock prices of developers should react to the booking values achieved by developers.

Fig 30 – Stock Price and Booking Values highly correlated



Source: Company, BOBCAPS Research

Fig 31 – Stock Price and Booking Values highly correlated

Regression Statistics	
Multiple R	0.884180286
R Square	78%
Adjusted R Square	0.776925329
Standard Error	110.7317333
Observations	47

Source: Company, BOBCAPS Research, Bloomberg

Fig 32 – Gross Development Value

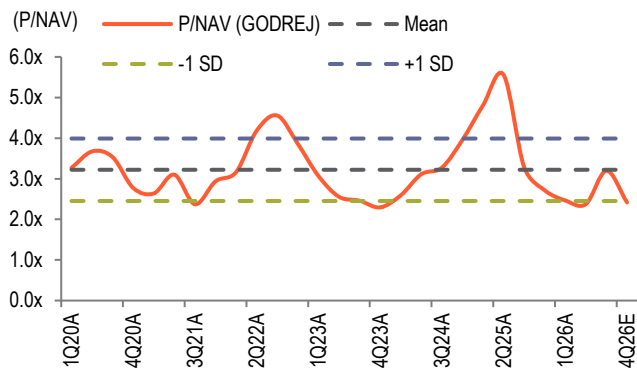
	Description	PRESTIGE	GODREJPROP	SOBHA	OBEROIRLTY
Residential	GDV of completed (unsold) + on-going projects based on avg. realisations achieved	237,455	256,848	96,404	32,208
Commercial	Asset Value as of Q3FY26, calculated based on rents generated	100,549	16,059	2,300	217,195
Land Bank	GDV of existing land bank	474,697	111,083	150,393	174,358
GDV (mn)		812,701	383,989	249,098	423,761
Net Debt (mn)		90,781	108,544	8,748	14,262
NAV		7,21,919.72	2,75,446	2,40,350	409,499.07
# Shares		430,730,232	301,207,741	106,953,834	363,602,237
NAV/Share		1,676	914	2,247	1,126
Target Price		1,928	2,211	1,853	1,754
Implied P/NAV		1.2x	2.4x	0.8x	1.6x

Source: Company, BOBCAPS Research, Bloomberg

Growth in Booking Values to be sustained by moderation in demand and supply

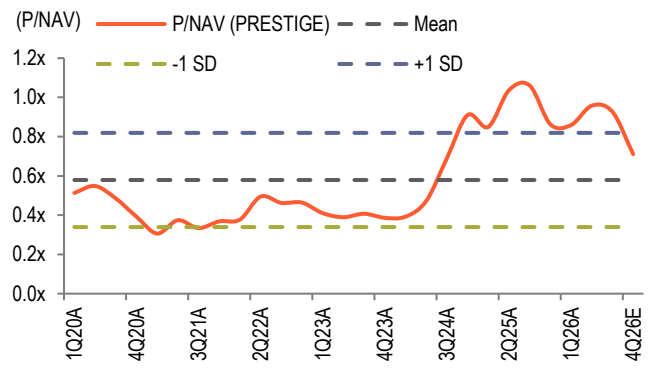
Assuming that this correlation continues to hold and considering our estimates of booking values over Q1FY28-Q4FY28, we expect residential developers under our coverage to trade at ~1.5x their NAV (from ~1.6x as of Q3FY26) over the next 1 year. We believe that a slower pace of launches and the prevailing macro-economic uncertainty will dampen the homebuyer sentiment, resulting in lower booking values in FY26E (vs FY25). We expect growth over FY26E-FY29E to be sustained by a moderation in launches and avg. realisations, as homebuyers recalibrate housing needs and developers adjust to this phase of residential market cycle.

Fig 33 – GODREJPROP



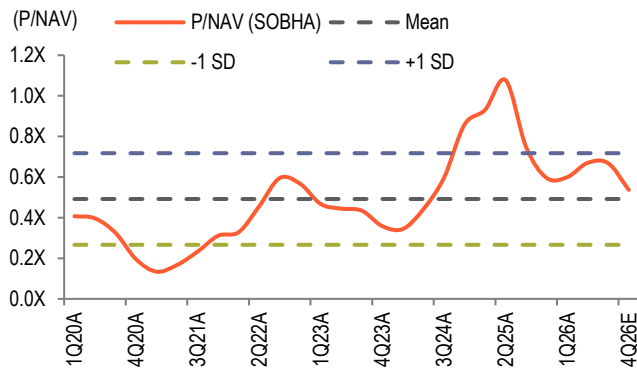
Source: Company, BOBCAPS Research, Bloomberg

Fig 34 – PRESTIGE



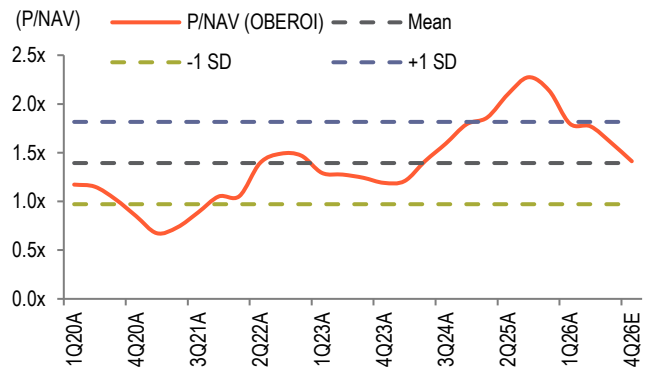
Source: Company, BOBCAPS Research, Bloomberg

Fig 35 – SOBHA



Source: Company, BOBCAPS Research, Bloomberg

Fig 36 – OBEROIRLTY



Source: Company, BOBCAPS Research, Bloomberg

Risks

Execution remains the single biggest risk for developers under our coverage. Any unexpected delays in launches and construction, is likely to directly affect booking values and revenue recognition.

Macro-economic uncertainties triggered by the war in West Asia are expected to disrupt supply chains, resulting in **higher construction costs** (mostly steel costs). However, GST reforms are expected to ease the cost of construction (lower cement prices). We remain cautiously optimistic about the developers' ability to keep costs under check, improve pricing and drive EBITDA margins.

A large majority of the typical homebuyer (IT/Financial services employee, CXOs) for developers under our coverage, is made up of an IT/Financial Services employee, working at a GCC. **AI led productivity gains over the recent past, have brought into focus the possible disruptions to employment** in these sectors that are likely to limit the purchasing power of the typical homebuyer and affect sentiment negatively.

Expectations of higher inflation arising from the elevated energy prices are likely to result in **higher interest rates**. Increased home-loan rates are likely to depress demand.

Stock performance

Fig 37 – GPL

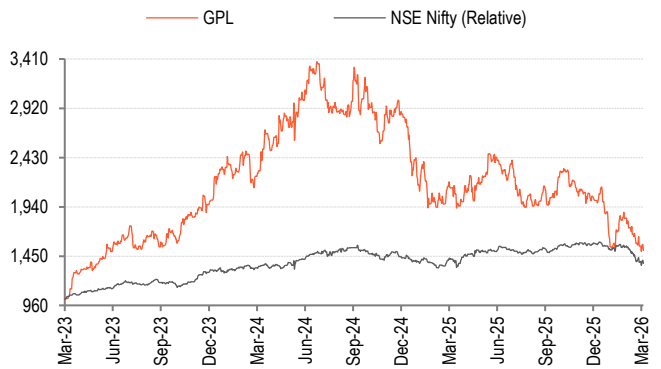


Fig 38 – OBER

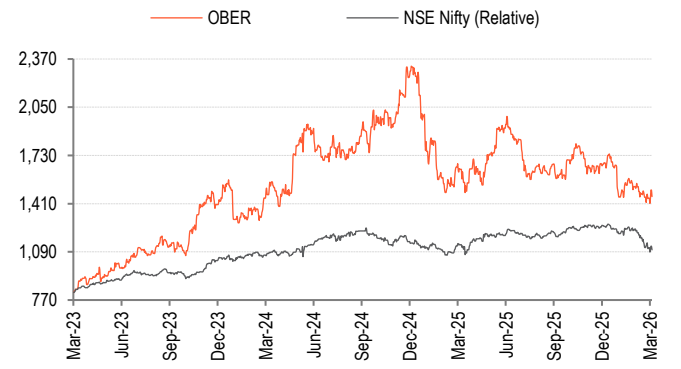


Fig 39 – PEPL

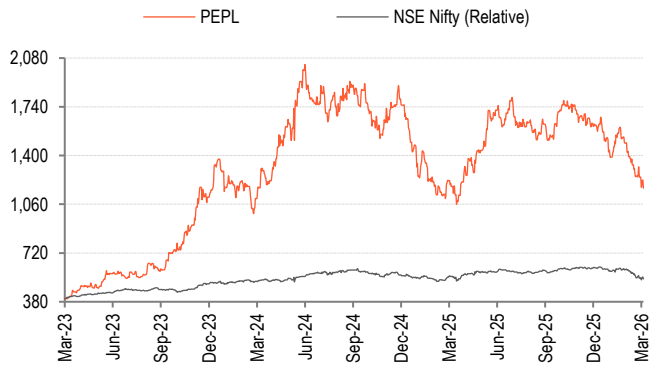
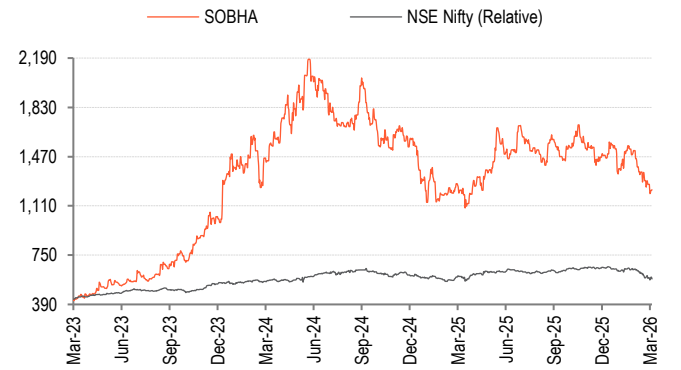


Fig 40 – SOBHA



Source: NSE

Financials – GPL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	69,671	97,841	140,754	186,179	203,052
EBITDA	20,886	42,039	66,231	89,430	107,246
Depreciation	(737)	(938)	(1,033)	(1,200)	(1,303)
EBIT	20,149	41,101	65,198	88,230	105,943
Net interest inc./(exp.)	(1,737)	(1,154)	(1,264)	(1,614)	(1,938)
Other inc./(exp.)	(1,186)	(12,736)	(29,291)	(40,557)	(47,880)
Exceptional items	0	(211)	0	0	0
EBT	17,226	27,001	34,643	46,060	56,125
Income taxes	(3,334)	(7,772)	(9,218)	(12,592)	(13,112)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	13,892	19,229	25,425	33,468	43,012
Adjustments	0	0	0	0	0
Adjusted net profit	13,892	19,229	25,425	33,468	43,012

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	35,231	52,693	72,670	69,702	78,021
Other current liabilities	302,464	450,848	450,848	450,848	450,848
Provisions	308	357	357	357	357
Debt funds	40,000	27,868	31,940	28,870	23,506
Other liabilities	915	4,425	4,425	4,425	4,425
Equity capital	1,506	1,506	1,506	1,506	1,506
Reserves & surplus	174,231	193,963	219,729	254,804	300,361
Shareholders' fund	175,737	195,469	221,235	256,310	301,867
Total liab. and equities	554,655	731,660	781,474	810,511	859,023
Cash and cash eq.	15,021	13,658	37,293	44,534	5,622
Accounts receivables	4,338	7,907	11,854	15,951	17,492
Inventories	329,277	456,313	440,720	420,991	476,294
Other current assets	162,809	179,457	179,457	179,457	179,457
Investments	15,396	37,932	71,318	104,703	131,412
Net fixed assets	10,434	12,952	17,391	21,432	25,305
CWIP	25	37	37	37	37
Intangible assets	142	128	128	128	128
Deferred tax assets, net	2,042	2,121	2,121	2,121	2,121
Other assets	15,172	21,156	21,156	21,156	21,156
Total assets	554,655	731,660	781,474	810,511	859,023

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	(22,424)	11,086	59,685	50,551	275
Capital expenditures	(42,740)	(36,292)	(38,858)	(38,626)	(31,885)
Change in investments	(511)	(1,823)	0	0	0
Other investing cash flows	177	533	0	0	0
Cash flow from investing	(43,074)	(37,582)	(38,858)	(38,626)	(31,885)
Equities issued/Others	59,217	0	0	0	0
Debt raised/repaid	18,503	33,107	4,072	(3,070)	(5,365)
Interest expenses	(10,503)	(8,151)	(1,264)	(1,614)	(1,938)
Dividends paid	0	0	0	0	0
Other financing cash flows	(122)	(108)	0	0	0
Cash flow from financing	67,095	24,848	2,808	(4,683)	(7,303)
Chg in cash & cash eq.	1,597	(1,648)	23,635	7,242	(38,913)
Closing cash & cash eq.	15,004	13,658	37,293	44,534	5,622

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	49.0	64.0	84.4	111.1	142.8
Adjusted EPS	49.0	64.0	84.4	111.1	142.8
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	615.3	649.0	734.5	850.9	1,002.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	6.5	4.6	3.2	2.4	2.2
EV/EBITDA	21.7	10.8	6.8	5.1	4.2
Adjusted P/E	30.7	23.5	17.8	13.5	10.5
P/BV	2.4	2.3	2.0	1.8	1.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.6	71.2	73.4	72.7	76.6
Interest burden (PBT/EBIT)	85.5	65.7	53.1	52.2	53.0
EBIT margin (EBIT/Revenue)	28.9	42.0	46.3	47.4	52.2
Asset turnover (Rev./Avg TA)	15.3	15.2	18.6	23.4	24.3
Leverage (Avg TA/Avg Equity)	3.3	3.5	3.6	3.3	3.0
Adjusted ROAE	10.0	10.4	12.2	14.0	15.4

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	60.7	40.4	43.9	32.3	9.1
EBITDA	78.7	101.3	57.5	35.0	19.9
Adjusted EPS	87.9	30.6	31.9	31.6	28.5
Profitability & Return ratios (%)					
EBITDA margin	30.0	43.0	47.1	48.0	52.8
EBIT margin	28.9	42.0	46.3	47.4	52.2
Adjusted profit margin	19.9	19.7	18.1	18.0	21.2
Adjusted ROAE	10.0	10.4	12.2	14.0	15.4
ROCE	9.3	18.0	25.3	30.4	32.1
Working capital days (days)					
Receivables	32	48	48	48	48
Inventory	1,007	1,068	721	721	721
Payables	108	108	108	108	108
Ratios (x)					
Gross asset turnover	0.1	0.1	0.1	0.2	0.2
Current ratio	1.5	1.3	1.3	1.3	1.3
Net interest coverage ratio	11.6	35.6	51.6	54.7	54.7
Adjusted debt/equity	2.2	2.7	2.5	2.2	1.8

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – OBER

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	54,742	62,762	79,089	91,064	97,843
EBITDA	32,909	36,038	45,736	53,100	56,548
Depreciation	(885)	(1,205)	(1,223)	(1,579)	(1,726)
EBIT	32,025	34,834	44,513	51,520	54,823
Net interest inc./(exp.)	(2,652)	(2,809)	(3,023)	(3,151)	(3,308)
Other inc./(exp.)	76	829	458	624	858
Exceptional items	0	0	0	0	0
EBT	29,449	32,853	41,948	48,993	52,373
Income taxes	(7,194)	(5,746)	(8,969)	(10,349)	(10,426)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	22,255	26,877	32,979	38,644	41,947
Adjustments	0	0	0	0	0
Adjusted net profit	22,255	26,877	32,979	38,644	41,947

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	6,559	10,328	9,865	11,410	13,520
Other current liabilities	28,515	32,361	32,361	32,361	32,361
Provisions	25	28	28	28	28
Debt funds	28,949	27,250	28,447	29,943	31,736
Other liabilities	6,325	6,967	6,967	6,967	6,967
Equity capital	3,636	3,636	3,636	3,636	3,636
Reserves & surplus	153,413	176,599	205,786	240,613	278,743
Shareholders' fund	157,049	180,235	209,422	244,249	282,379
Total liab. and equities	227,421	257,169	287,090	324,959	366,991
Cash and cash eq.	2,677	2,122	27,189	37,104	44,520
Accounts receivables	1,127	2,028	2,568	2,969	3,173
Inventories	94,465	109,867	104,807	121,690	144,739
Other current assets	53,901	61,259	61,259	61,259	61,259
Investments	3,739	3,845	3,845	3,845	3,845
Net fixed assets	2,436	6,303	15,676	26,346	37,711
CWIP	16,044	17,040	17,040	17,040	17,040
Intangible assets	11	8	8	8	8
Deferred tax assets, net	1,359	1,309	1,309	1,309	1,309
Other assets	51,663	53,388	53,388	53,388	53,388
Total assets	227,421	257,169	287,090	324,959	366,991

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	21,626	17,663	41,126	27,456	25,657
Capital expenditures	(6,905)	(6,789)	(10,597)	(12,249)	(13,090)
Change in investments	(19,582)	(2,716)	0	0	0
Other investing cash flows	2,565	369	0	0	0
Cash flow from investing	(23,923)	(9,136)	(10,597)	(12,249)	(13,090)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	7,959	(2,847)	1,197	1,496	1,793
Interest expenses	(2,319)	(2,599)	(3,023)	(3,151)	(3,308)
Dividends paid	(3,636)	(3,636)	(3,636)	(3,636)	(3,636)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	2,004	(9,082)	(5,462)	(5,292)	(5,151)
Chg in cash & cash eq.	(293)	(555)	25,068	9,915	7,416
Closing cash & cash eq.	2,677	2,122	27,189	37,104	44,520

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	61.2	73.9	90.7	106.3	115.4
Adjusted EPS	61.2	73.9	90.7	106.3	115.4
Dividend per share	10.0	10.0	10.0	10.0	10.0
Book value per share	431.9	495.7	576.0	671.7	776.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	9.7	8.4	6.7	5.8	5.4
EV/EBITDA	16.1	14.7	11.6	10.0	9.4
Adjusted P/E	23.8	19.7	16.1	13.7	12.6
P/BV	3.4	2.9	2.5	2.2	1.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.6	81.8	78.6	78.9	80.1
Interest burden (PBT/EBIT)	92.0	94.3	94.2	95.1	95.5
EBIT margin (EBIT/Revenue)	58.5	55.5	56.3	56.6	56.0
Asset turnover (Rev./Avg TA)	25.8	25.9	29.1	29.8	28.3
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.3	1.3
Adjusted ROAE	15.1	15.9	16.9	17.0	15.9

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	13.6	14.7	26.0	15.1	7.4
EBITDA	20.4	9.5	26.9	16.1	6.5
Adjusted EPS	15.5	20.8	22.7	17.2	8.5
Profitability & Return ratios (%)					
EBITDA margin	60.1	57.4	57.8	58.3	57.8
EBIT margin	58.5	55.5	56.3	56.6	56.0
Adjusted profit margin	40.7	42.8	41.7	42.4	42.9
Adjusted ROAE	15.1	15.9	16.9	17.0	15.9
ROCE	16.6	16.2	18.2	18.3	17.1
Working capital days (days)					
Receivables	8	13	13	13	13
Inventory	1,597	818	818	818	818
Payables	111	75	75	75	75
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	4.3	4.1	4.6	5.1	5.5
Net interest coverage ratio	12.1	12.4	14.7	16.3	16.6
Adjusted debt/equity	0.4	0.4	0.4	0.3	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – PEPL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	77,355	121,539	156,196	192,990	231,205
EBITDA	29,449	40,819	53,725	66,502	82,019
Depreciation	(8,123)	(9,123)	(9,502)	(11,713)	(13,940)
EBIT	21,326	31,696	44,223	54,789	68,079
Net interest inc./(exp.)	(13,338)	(14,123)	(16,124)	(19,194)	(21,109)
Other inc./(exp.)	0	0	0	0	0
Exceptional items	0	0	0	0	0
EBT	7,988	17,573	28,099	35,595	46,970
Income taxes	(1,389)	(3,727)	(7,963)	(9,141)	(11,396)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(430)	180	0	0	0
Reported net profit	6,169	14,026	20,136	26,454	35,574
Adjustments	0	0	0	0	0
Adjusted net profit	6,169	14,026	20,136	26,454	35,574

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	18,710	17,691	18,479	24,951	32,168
Other current liabilities	335,994	420,890	463,783	515,804	593,172
Provisions	536	592	592	592	592
Debt funds	43,130	53,551	101,591	151,121	211,854
Other liabilities	30,537	30,420	30,420	30,420	30,420
Equity capital	4,307	4,307	4,307	4,307	4,307
Reserves & surplus	154,738	164,044	183,444	207,748	240,331
Shareholders' fund	159,045	168,351	187,751	212,055	244,638
Total liab. and equities	587,952	691,496	802,617	934,943	1,112,845
Cash and cash eq.	20,094	6,841	42,727	66,129	96,023
Accounts receivables	13,582	21,746	27,468	33,859	40,295
Inventories	318,831	379,639	424,946	501,928	615,964
Other current assets	89,793	112,351	112,351	112,351	112,351
Investments	305	28	28	28	28
Net fixed assets	26,354	43,758	67,965	93,516	121,052
CWIP	14,243	18,954	18,954	18,954	18,954
Intangible assets	127	129	129	129	129
Deferred tax assets, net	9,411	12,105	12,105	12,105	12,105
Other assets	95,212	95,944	95,944	95,944	95,944
Total assets	587,952	691,496	802,617	934,943	1,112,845

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	1,307	20,548	29,115	19,650	18,939
Capital expenditures	(15,829)	(23,910)	(24,207)	(25,551)	(27,536)
Change in investments	2,345	(7,050)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(13,484)	(30,960)	(24,207)	(25,551)	(27,536)
Equities issued/Others	50,000	0	0	0	0
Debt raised/repaid	(8,621)	17,306	48,039	49,530	60,734
Interest expenses	(11,105)	(12,776)	(16,124)	(19,194)	(21,109)
Dividends paid	(775)	(853)	(938)	(1,032)	(1,135)
Other financing cash flows	(19,907)	(6,519)	0	0	0
Cash flow from financing	9,592	(2,841)	30,977	29,304	38,490
Chg in cash & cash eq.	(2,585)	(13,253)	35,885	23,403	29,894
Closing cash & cash eq.	20,094	6,841	42,727	66,129	96,023

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	11.2	31.0	46.7	61.4	82.6
Adjusted EPS	11.2	31.0	46.7	61.4	82.6
Dividend per share	1.8	2.0	2.2	2.4	2.6
Book value per share	369.2	390.9	435.9	492.3	568.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	6.5	4.2	3.2	2.6	2.2
EV/EBITDA	17.2	12.4	9.4	7.6	6.2
Adjusted P/E	104.8	37.9	25.1	19.1	14.2
P/BV	3.2	3.0	2.7	2.4	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	77.2	79.8	71.7	74.3	75.7
Interest burden (PBT/EBIT)	37.5	55.4	63.5	65.0	69.0
EBIT margin (EBIT/Revenue)	27.6	26.1	28.3	28.4	29.4
Asset turnover (Rev./Avg TA)	14.4	19.0	20.9	22.2	22.6
Leverage (Avg TA/Avg Equity)	3.9	3.9	4.2	4.3	4.5
Adjusted ROAE	4.5	8.6	11.3	13.2	15.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(17.9)	57.1	28.5	23.6	19.8
EBITDA	(27.2)	38.6	31.6	23.8	23.3
Adjusted EPS	(67.4)	176.9	50.9	31.4	34.5
Profitability & Return ratios (%)					
EBITDA margin	38.1	33.6	34.4	34.5	35.5
EBIT margin	27.6	26.1	28.3	28.4	29.4
Adjusted profit margin	8.0	11.5	12.9	13.7	15.4
Adjusted ROAE	4.5	8.6	11.3	13.2	15.6
ROCE	9.1	12.5	13.8	13.9	14.0
Working capital days (days)					
Receivables	67	69	69	69	69
Inventory	1,215	1,223	1,223	1,223	1,223
Payables	71	51	51	51	51
Ratios (x)					
Gross asset turnover	2.9	2.8	2.3	2.1	1.9
Current ratio	1.2	1.2	1.3	1.3	1.4
Net interest coverage ratio	1.6	2.2	2.7	2.9	3.2
Adjusted debt/equity	2.7	3.1	3.3	3.4	3.5

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – SOBHA
Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	41,628	51,012	61,290	73,008	89,569
EBITDA	4,184	6,681	10,225	14,281	22,163
Depreciation	(898)	(985)	(1,221)	(1,202)	(1,047)
EBIT	3,286	5,696	9,004	13,079	21,116
Net interest inc./(exp.)	(1,956)	(1,227)	(1,069)	(905)	(739)
Other inc./(exp.)	0	0	0	0	0
Exceptional items	0	0	0	0	0
EBT	1,330	4,158	7,739	11,787	19,727
Income taxes	(383)	(1,337)	(2,355)	(3,573)	(6,232)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	947	2,821	5,384	8,214	13,495
Adjustments	0	0	0	0	0
Adjusted net profit	947	2,821	5,384	8,214	13,495

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	5,648	9,022	9,965	11,736	14,151
Other current liabilities	111,444	124,832	124,832	124,832	124,832
Provisions	258	341	341	341	341
Debt funds	7,661	5,379	4,001	2,605	1,189
Other liabilities	1,594	1,509	1,509	1,509	1,509
Equity capital	1,069	1,070	1,070	1,070	1,070
Reserves & surplus	44,536	46,415	50,301	56,407	66,465
Shareholders' fund	45,605	47,485	51,370	57,477	67,534
Total liab. and equities	172,210	188,567	192,019	198,500	209,556
Cash and cash eq.	1,266	11,971	35,064	65,012	107,402
Accounts receivables	1,864	3,774	4,566	5,440	6,674
Inventories	112,522	109,227	87,514	61,108	25,502
Other current assets	31,006	34,977	34,977	34,977	34,977
Investments	1,146	1,146	1,146	1,146	1,146
Net fixed assets	5,150	6,971	8,249	10,314	13,352
CWIP	4,545	4,517	4,517	4,517	4,517
Intangible assets	44	34	34	34	34
Deferred tax assets, net	2,547	3,129	3,129	3,129	3,129
Other assets	12,120	12,822	12,822	12,822	12,822
Total assets	172,210	188,567	192,019	198,500	209,556

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	1,999	16,129	27,140	34,635	47,905
Capital expenditures	(1,312)	(2,248)	(1,278)	(2,065)	(3,038)
Change in investments	(11,224)	(794)	0	0	0
Other investing cash flows	737	1,003	0	0	0
Cash flow from investing	(11,799)	(2,039)	(1,278)	(2,065)	(3,038)
Equities issued/Others	19,842	2	0	0	0
Debt raised/repaid	(7,909)	(1,944)	(1,378)	(1,396)	(1,417)
Interest expenses	(1,702)	(1,121)	(1,069)	(905)	(739)
Dividends paid	(303)	(321)	(321)	(321)	(321)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	9,928	(3,384)	(2,768)	(2,622)	(2,477)
Chg in cash & cash eq.	128	10,705	23,093	29,948	42,390
Closing cash & cash eq.	1,266	11,971	35,064	65,012	107,402

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	9.4	26.4	50.3	76.8	126.2
Adjusted EPS	9.4	26.4	50.3	76.8	126.2
Dividend per share	3.0	3.0	3.0	3.0	3.0
Book value per share	452.0	444.0	480.3	537.4	631.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	3.2	2.6	2.1	1.8	1.5
EV/EBITDA	31.4	19.6	12.8	9.2	5.9
Adjusted P/E	130.8	46.5	24.4	16.0	9.7
P/BV	2.7	2.8	2.6	2.3	1.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.2	67.8	69.6	69.7	68.4
Interest burden (PBT/EBIT)	40.5	73.0	86.0	90.1	93.4
EBIT margin (EBIT/Revenue)	7.9	11.2	14.7	17.9	23.6
Asset turnover (Rev./Avg TA)	26.9	28.3	32.2	37.4	43.9
Leverage (Avg TA/Avg Equity)	4.4	3.9	3.8	3.6	3.3
Adjusted ROAE	2.7	6.1	10.9	15.1	21.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	29.4	22.5	20.1	19.1	22.7
EBITDA	5.1	59.7	53.0	39.7	55.2
Adjusted EPS	81.2	181.0	90.9	52.6	64.3
Profitability & Return ratios (%)					
EBITDA margin	10.1	13.1	16.7	19.6	24.7
EBIT margin	7.9	11.2	14.7	17.9	23.6
Adjusted profit margin	2.3	5.5	8.8	11.3	15.1
Adjusted ROAE	2.7	6.1	10.9	15.1	21.6
ROCE	7.5	10.4	16.1	22.0	31.9
Working capital days (days)					
Receivables	17	28	28	28	28
Inventory	830	1,180	1,180	1,180	1,180
Payables	42	60	60	60	60
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.4	0.4
Current ratio	1.3	1.2	1.2	1.2	1.3
Net interest coverage ratio	1.7	4.6	8.4	14.5	28.6
Adjusted debt/equity	2.8	3.0	2.7	2.5	2.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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