



## Strong Growth Runway; Maintain BUY

Est. vs. Actual for Q3FY25: Revenue – **MISS**; EBITDA – **MISS**; PAT – **BEAT**

### Changes in Estimates post Q3FY25

FY25E/FY26E/FY27E: Revenue: 0%/0%/0%; EBITDA: 0%/0%/0%; PAT: 0%/0%/0%

### Recommendation Rationale

- Upcoming Launches and Portfolio Pipeline:** The company's ongoing portfolio of 11.2 Mn sqft primarily consists of mid-income and affordable housing projects, which are nearly 95% sold with a sales value of Rs 10,360 Cr and are expected to be delivered in the next 5-6 quarters. Recent launches account for 13.5 Mn sqft (out of 35 Mn sqft), while the forthcoming portfolio comprises 21.6 Mn sqft. These launches have a GDV potential of approximately Rs 15,000 Cr.
- Among recent launches is Daxin Vistas, marking the company's successful entry into large township developments. The upcoming 21.6 Mn sqft is expected to be launched over the next 2-3 years, with a GDV potential of ~Rs 35,000 Cr. Key forthcoming projects include a 3 Mn sqft development in 37D, a 1.6-1.7 Mn sqft project in Sector 71, and new 'low rises' in Sohna, all in the advanced stages of approval and expected to be launched on time. Additionally, the company has added 2.9 Mn sqft in 37D, a core market for Signature Global.**
- Strong Operational Performance:** The management has maintained its guidance for pre-sales at Rs 10,000 Cr and collections at Rs 6,000 Cr. The company has achieved 87% of its pre-sales guidance and 54% of its collections guidance. Operating surplus for 9MFY25 stood at 38% of collections at Rs 1,210 Cr, compared to 36% in 9MFY24. The company achieved CY24 pre-sales of Rs 12,820 Cr, implying a run rate of approximately Rs 1,000 Cr per month in sales. Similarly, collections stand at ~Rs 300 Cr per month, expecting further improvement in the coming quarters. The company's embedded EBITDA margin stands at 35%.
- Net Debt Reduction and More Acquisitions:** Signatureglobal's operating surplus stood at Rs 1,210 Cr. Out of this, the company employed Rs 570 Cr for land acquisitions, ~420 Cr for net debt reduction, and ~220 Cr for debt servicing. This reflects the company's continued focus on debt reduction alongside robust financial performance. The management has guided for a 0.5x net debt-to-operating surplus ratio. With the current net debt at Rs 740 Cr and an operating surplus of Rs 1,210 Cr, the company remains optimistic about reducing net debt while further increasing its surplus.

### Sector Outlook: Positive

**Company Outlook & Guidance:** We remain positive about the company's long-term prospects.

**Current Valuation:** 4.9x FY26E Pre-sales/EBITDA (Earlier 4.9x FY26E Pre-sales/EBITDA)

**Current TP:** Rs 1,645/share (Earlier TP: Rs 1,645 /share).

**Recommendation:** With a 27% upside from the CMP, we maintain our long-term BUY rating on the stock.

### Key Financials (Consolidated)

(Rs Cr)	Q3FY24	Q2FY25	Q3FY25	QoQ (%)	YoY (%)
Net Sales	282	749	828	10	194
EBITDA	(7)	(12)	14	(217)	(295)
EBITDA Margin (%)	-2%	-2%	0	(206)	(166)
Net Profit	2	4	29	598	1,267
EPS (Rs)	0.2	0.3	2	598	1,267

Source: Company, Axis Securities Research

(CMP as of 11<sup>th</sup> February 2025)

CMP (Rs)	1,297
Upside /Downside (%)	27%
High/Low (Rs)	1,646/1,038
Market cap (Cr)	17,898
Avg. daily vol. (1m)Shrs'000.	1,123
No. of shares (Cr)	14.05

### Shareholding (%)

	Jun-24	Sep-24	Dec-24
Promoter Group	69.6	69.6	69.6
FII	8.3	12.2	12.0
MF's/Banks	1.8	1.2	1.3
Others	20.3	17.0	17.0

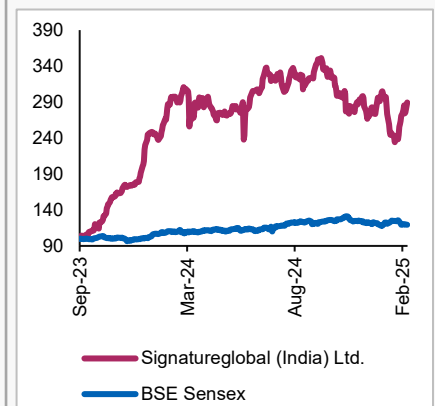
### Financial & Valuations

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
Net Sales	1,241	3,473	5,141	7,197
EBITDA	(28)	762	1,129	1,941
Net Profit	16	646	948	1,654
EPS, Rs	1.1	46.0	67.5	117.7
PER, x	1,119.6	27.8	18.9	10.9
EV/EBITDA, x	-	23.6	15.3	7.5
ROE, %	2.6	50.8	42.7	42.7

### Change in Estimates (%)

Y/E Mar	FY25E	FY26E	FY27E
Sales	0%	0%	0%
EBITDA	0%	0%	0%
PAT	0%	0%	0%

### Relative Performance



Source: Ace Equity, Axis Securities Research

### Eesha Shah

Research Analyst  
 email: eesha.shah@axissecurities.in

### Preeyam Tolia

Research Analyst  
 email: preeyam.tolia@axissecurities.in

## Financial Performance

- The company reported revenue of Rs 828 Cr for Q3FY25, marking a 193% YoY increase. EBITDA stood at Rs 14 Cr, turning profitable for the quarter, with PAT at Rs 29 Cr. Pre-sales reached Rs 2,770 Cr, reflecting a 178% YoY growth, while collections stood at Rs 1,080 Cr for Q3FY25, a 54% YoY increase. Sales realisations stood at Rs 12,565/sqft in 9MFY25 compared to Rs 11,762/sqft in 9MFY24. Net debt was reduced to Rs 740 Cr at the end of 9MFY25, down from Rs 1,160 Cr in FY24.

## Outlook

- The company continues to focus on mid-income housing with a no land bank strategy. It has a pipeline of ~26.1 Mn sqft with a GDV of Rs 35,000 Cr. Its strategy to capitalize on Gurugram's urbanization, along with a strong presence in select micro-markets, has driven robust sales performance. The company continues to replenish land acquisitions while reducing debt and maintaining embedded EBITDA margins. It is also exploring new micro-markets in Delhi for further acquisitions. Considering these factors, we remain positive on the company's potential to sustain its strong growth momentum.

## Valuation & Recommendation

- We continue to value the company using a DCF-based valuation, arriving at a TP of Rs 1,645/share, implying a 27% upside from the CMP.

## Key Highlights

- Pre-Sales drivers:** In Q3FY25, the company registered Rs 2,770 Cr in pre-sales, marking a 120% YoY growth. With this, Signature Global has achieved ~87% of its pre-sales guidance for FY25. This performance was primarily driven by strong sales in projects like Titanium SPR, the township projects of Daxin, the City of Colors, and the Twin Towers.
- Excellence in Execution:** The company sold over 3,500 units with an average ticket size of ~Rs 2.5 Cr during 9MFY25, aligning with its focus on the mid-income housing segment and its "Build to Sell" strategy. Its approach of offering the "Right Product at the Right Price in the Right Location" continues to drive sustainable growth.
- Expansion in Delhi:** The management holds a positive outlook on development opportunities in the Delhi/NCR region post-elections, given the continuity of the same government at both the central and state levels. Delhi has significant land parcels near large mid-income housing areas like Dwarka and Rohini. The company is exploring greenfield developments while adhering to a micro-market approach.

## Key Risks to Our Estimates and TP

- Approval Delays:** The company's pre-sales are heavily reliant on launching new projects, as it has very low inventory left in its ongoing projects. Any delays in approvals or launches could lead to the company faltering in meeting its collection guidance.
- Concentration Risk:** Signature Global's entire portfolio is concentrated within Gurgaon and its outskirts. Any challenges arising in this region due to regulations will directly impact the company.

## Operational Performance

(Rs Cr)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Bookings	982	1,263	4,145	3,120	2,780	2,770
Collections	789	769	1,010	1,210	920	1,080
Cumulative Bookings				3,120	5,900	<b>8,670</b>
Cumulative Collections				1,210	2,130	<b>3,210</b>
% Company Guidance Completion (Bookings)				31%	59%	<b>87%</b>

### Change in Estimates

	Old Est.			Revised Est.			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,473	5,141	7,197	3,473	5,141	7,197	0	0	0
EBITDA	762	1,129	1,941	762	1,129	1,941	0	0	0
PAT	646	948	1,654	646	948	1,654	0	0	0
EPS	46.0	67.5	117.7	46.0	67.5	117.7	0	0	0

Source: Company, Axis Securities Research

### Results Review

Y/E Mar (Rs Cr)	Q3FY24	Q2FY25	Q3FY25	YoY growth %	QoQ growth %
Revenue from Operations	282	749	828	193.7	10.5
Total operating costs	(218)	(634)	(640)	193.2	0.8
% sales	77%	85%	77%		
Raw Material expenses	(218)	(634)	(640)	193.2	0.8
Employee costs	(30)	(40)	(51)	73.0	29.9
Other expenses	(41)	(87)	(123)	201.3	41.6
EBITDA	(7)	(12)	14	(294.9)	(216.8)
% margin	-2%	-2%	2%	(166.4)	(205.7)
Depreciation	(6)	(7)	(8)	36.5	10.8
EBIT	(13)	(18)	6	(147.5)	(132.4)
Finance Costs	(5)	(17)	(14)	165.2	(16.3)
Other income	20	28	34	72.8	22.5
PBT	2	(7)	26	1,181.7	(465.9)
Tax	0	11	3	2,116.9	(74.6)
Reported PAT	2	4	29	1,266.6	597.7
Reported EPS	14	14	2.1	1,266.6	597.7

Source: Company, Axis Securities Research

## Financials (Consolidated)

### Profit & Loss

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
Net sales	1,241	3,473	5,141	7,197
Growth, %	(20.2)	180.0	48.0	40
Other operating income	-	-	-	-
Total income	1,241	3,473	5,141	7,197
Raw material expenses	(972)	(2,431)	(3,598)	(4,678)
Employee expenses	(117)	(139)	(206)	(288)
Other Operating expenses	(179)	(141)	(207)	(290)
<b>EBITDA (Core)</b>	<b>(28)</b>	<b>762</b>	<b>1,129</b>	<b>1,941</b>
Growth, %	(559.0)	(2,845.7)	48.1	71.9
Margin, %	(2.2)	21.9	22.0	27.0
Depreciation	(22)	(29)	(32)	(40)
<b>EBIT</b>	<b>(49)</b>	<b>734</b>	<b>1,097</b>	<b>1,901</b>
Growth, %	206	(1,586)	50	73
Margin, %	(4)	21	21	26
Interest paid	(30)	(45)	(38)	(56)
Other Income	84	174	206	360
Share of profits from associates	0	0	0	0
<b>Pre-tax profit</b>	<b>4</b>	<b>862</b>	<b>1,265</b>	<b>2,205</b>
Tax provided	12	(215)	(316)	(551)
<b>Profit after tax</b>	<b>16</b>	<b>646</b>	<b>948</b>	<b>1,654</b>
<b>Net Profit</b>	<b>16</b>	<b>646</b>	<b>948</b>	<b>1653</b>
Growth %	(125.3)	3,933	46.7	74.3

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
Cash & bank	736	1,286	1,777	4,904
Debtors	34	285	423	592
Inventory	6,149	6,661	8,873	12,816
Loans & advances	168	168	168	168
Other current assets	950	950	950	950
Total current assets	8,038	9,352	12,191	19,430
Investments	-	-	-	-
Gross fixed assets	226	251	276	301
Less: Depreciation	(126)	(154)	(186)	(227)
Net fixed assets	115	112	105	15
Non-current assets	36	36	36	36
<b>Total assets</b>	<b>8,473</b>	<b>9,784</b>	<b>12,616</b>	<b>19,840</b>
Current liabilities	6,506	7,169	9,253	14,324
Provisions	29	28	28	28
Total current liabilities	6,534	7,198	9,282	14,352
Non-current liabilities	1,310	1,310	1,110	1,610
Total liabilities	7,844	8,507	10,392	15,962
Paid-up capital	14	14	14	14
Reserves & surplus	613	1,259	2,207	3,861
Shareholders' equity	629	1,276	2,224	3,878
<b>Total equity &amp; liabilities</b>	<b>8,473</b>	<b>9,783</b>	<b>12,616</b>	<b>19,840</b>

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
PBT	4	862	1,265	2,205
Add: Depreciation	22	29	32	40
Interest Paid	30	45	38	56
Op profit before WC changes	1	936	1,335	2,301
Taxes paid	(59)	(215)	(316)	(553)
Cash from Operating Activities	92	621	754	2,708
Change in Fixed Assets	(36)	(25)	(25)	(25)
Net Cash from Investing Activities	(489)	(25)	(25)	(25)
Interest paid	(210)	(45)	(38)	(56)
Net Cash from Financing	368	(45)	(238)	444
Net change in cash for the period	(28)	550	491	3,127
Cash at end of period	610	1,161	1,651	4,778
Others				
Cash as per Balance sheet	610	1,161	1,651	4,778

Source: Company, Axis Securities Research

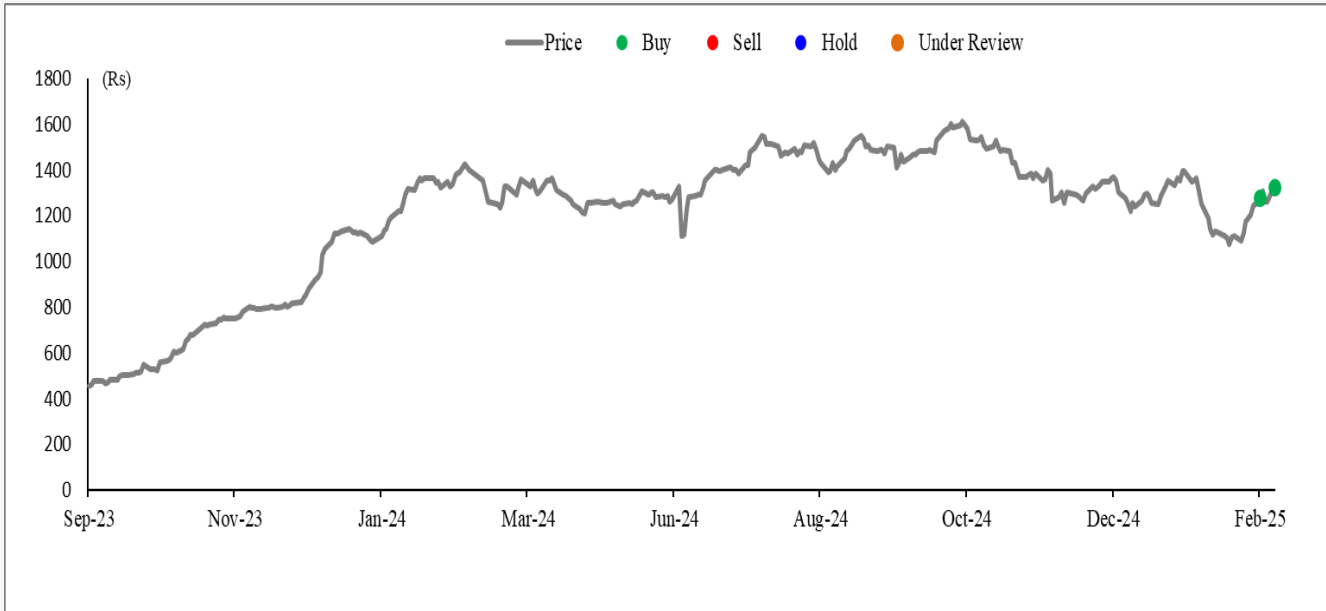
**Ratio Analysis**

(%)

Y/E Mar	FY24	FY25E	FY26E	FY27E
EPS (INR)	1.1	46.0	67.5	117.7
Growth, %	(122.5)	3,933.7	46.7	74.3
DPS (INR)	-	-	-	-
<b>Return ratios</b>				
Return on assets (%)	0.7	7.6	8.8	10.5
Return on equity (%)	2.6	50.8	42.7	42.7
Return on capital employed (%)	2.8	30.3	33.1	38.6
<b>Turnover ratios</b>				
Asset turnover (x)	1.0	2.1	2.8	4.9
Sales/Total assets (x)	0.2	0.4	0.5	0.4
Sales/Net FA (x)	10.0	30.6	47.4	74.0
Working capital/Sales (x)	0.6	0.3	0.2	0.0
<b>Liquidity ratios</b>				
Current ratio (x)	1.2	1.3	1.3	1.4
Quick ratio (x)	0.3	0.4	0.4	0.5
Interest cover (x)	(1.6)	16.2	28.6	34.0
Total debt/Equity (%)	3.1	1.5	0.8	0.6
Net debt/Equity (%)	2.1	0.6	0.0	(0.7)
<b>Valuation</b>				
PER (x)	1,119.6	27.8	18.9	10.9
PEG (x) - y-o-y growth	(9.1)	0.0	0.4	0.1
Price/Book (x)	28.6	14.1	8.1	4.6
EV/Net sales (x)	16.4	5.7	3.7	2.3
EV/EBITDA (x)	(732.3)	25.9	16.9	8.5
EV/EBIT (x)	(411.8)	27.0	17.4	8.7

Source: Company, Axis Securities Research

## Signature Global Price Chart and Recommendation History



Date	Reco	TP	Research
04-Feb-25	BUY	1,645	Initiating Coverage
12-Feb-25	BUY	1,645	Result Update

Source: Axis Securities Research

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on [www.axisbank.com](http://www.axisbank.com).

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Maneesh Mathew, Tel No. – 022-68555574, Email id – [compliance.officer@axisdirect.in](mailto:compliance.officer@axisdirect.in);

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us [helpdesk@axisdirect.in](mailto:helpdesk@axisdirect.in).

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

**RATING SCALE: Definitions of ratings**

<b>Ratings</b>	<b>Expected absolute returns over 12 – 18 months</b>
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.