

Prestige Estates Projects

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|-----------------------|-------------|
| Bloomberg | PEPL IN |
| Equity Shares (m) | 431 |
| M.Cap.(INRb)/(USDb) | 631.7 / 7.4 |
| 52-Week Range (INR) | 2075 / 1048 |
| 1, 6, 12 Rel. Per (%) | 5/-14/-15 |
| 12M Avg Val (INR M) | 1855 |

Financials & Valuations (INR b)

| Y/E Mar | FY25 | FY26E | FY27E |
|--------------|-------|-------|-------|
| Sales | 73.5 | 114.3 | 140.7 |
| EBITDA | 25.6 | 27.2 | 29.3 |
| EBITDA (%) | 34.8 | 23.8 | 20.8 |
| Adj. PAT | 5.1 | 8.5 | 9.7 |
| EPS (INR) | 13.6 | 22.6 | 25.9 |
| EPS Gr. (%) | -2.5 | 89.4 | 113.1 |
| BV/Sh. (INR) | 411.3 | 432.1 | 456.3 |

Ratios

| | | | |
|------------|------|-----|-----|
| Net D/E | 0.4 | 0.7 | 0.7 |
| RoE (%) | 3.8 | 5.3 | 5.8 |
| RoCE (%) | 7.2 | 6.8 | 7.1 |
| Payout (%) | 15.2 | 7.6 | 6.7 |

Valuations

| | | | |
|---------------|-------|------|------|
| P/E (x) | 107.8 | 65.1 | 56.8 |
| P/BV (x) | 3.6 | 3.4 | 3.2 |
| EV/EBITDA (x) | 26.2 | 22.9 | 22.2 |
| Div Yield (%) | 0.1 | 0.1 | 0.1 |

Shareholding pattern (%)

| As On | Mar-25 | Dec-24 | Mar-24 |
|----------|--------|--------|--------|
| Promoter | 60.9 | 60.9 | 65.5 |
| DII | 19.2 | 16.7 | 15.0 |
| FII | 17.1 | 19.3 | 16.1 |
| Others | 2.7 | 3.0 | 3.5 |

CMP: INR1,467 **TP: 1,938 (+32%)** **Buy**

Absence of material launches impacts performance

Guidance miss; average realization increases

- PEPL reported a 48%/131% YoY/QoQ increase in pre-sales to INR69.6b (31% below our estimates) due to the absence of guided launches in 4QFY25. For FY25, bookings declined 19% YoY to INR170.2b (15% below our estimate and 29% below guidance of INR240b).
- In 4QFY25, significant sales contributions came from Nautilus (34%), followed by Southern Star, Spring Heights, Raintree Park, and Suncrest, which contributed 20%, 16%, 7%, and 5%, respectively. In FY25, these projects contributed 58% of sales, with ~18% of contribution to total sales coming from Nautilus.
- In FY25, 45% of sales came from Bengaluru, followed by 30% from Mumbai, 23% from Hyderabad, and 2% from other markets.
- Post-4QFY25, PEPL holds an ongoing inventory of INR201b across Hyderabad, Bengaluru, and Mumbai.
- The company launched 14.03msf during the quarter, spanning four projects: Prestige Suncrest and Prestige Southern Star-Ph 1 in Bengaluru, Prestige Nautilus in Mumbai, and Prestige Spring Heights in Hyderabad, with a combined GDV potential of INR161.3b. In FY25, the company launched 26.28msf during the year, primarily across Bengaluru, Mumbai, and Hyderabad, with a combined GDV of INR262.2b.
- Project completions stood at 3.04msf in FY25, contributed by two residential projects in Bengaluru: Prestige Primrose Hills Ph-1 and Prestige Waterford.
- Total units sold during the year stood at 5,919.
- Office leasing stood at 4.1msf, with portfolio occupancy at 90%. Malls recorded sales of INR22.6b, with retail occupancy at 99%.
- In FY25, the Board recommended a final dividend of 1.8/share (18% of face value).
- **P&L performance:** PEPL reported a 29% YoY decline in revenue to INR15.3b (67% below our estimates) for 4QFY25, while for FY25, revenue was down 7% YoY at INR73.5b (29% below estimates).
- EBITDA came in at INR5.4b, down 35% YoY (30% below our estimates). EBITDA margin stood at 35.4%, down 3pp YoY. For FY25, PEPL reported an EBITDA of INR25.6b, up 2% YoY (8% below estimates), with margin standing at 34.8%, up 3pp YoY.
- PEPL reported an adjusted PAT of INR250m, down 82% YoY, with margin standing at 1.6%. For FY25, the company reported an adj. PAT of INR4.7b, down 34% YoY (42% below estimates).

Key highlights from the management commentary

- In 4QFY25, 14msf of new launches were rolled out across Bengaluru, Mumbai, and Hyderabad, with a GDV of INR161.3b; the stock in hand stood at 13.85msf.

Abhishek Lodhiya – Research Analyst (Abhishek.Lodhiya@MotilalOswal.com)

Yohan Batliwala – Research Analyst (Yohan.Batliwala@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- For FY26, the company has guided pre-sales at INR270b, with INR120-130b expected in 1QFY26. The GDV pipeline has moderated to INR420b.
- The company spent INR55b on BD in FY25, including INR14-15b on stake acquisitions that contributed INR200b to GDV, and INR4b on acquisitions in Bengaluru.
- FY26's BD spend is expected at INR40-45b, likely translating into INR300-400b in GDV.
- INR140b worth of FY25 launches have been spilled over to FY26, with an additional GDV of INR500b currently in the planning stage.
- Approvals are progressing for launches in Evergreen, Raintree Park, Pallavpuram Chennai, and Dahisar-Mira Road.
- Net debt was reduced to INR67b, resulting in a Net Debt/Equity ratio of 0.42, while borrowing costs were reduced to 10.32%.
- BKC will be completed by FY28 and Aerocity office space, which is fully leased out, will be completed by the end of CY25. The planned capex is estimated at INR70-80b.

Valuation and view

- While delays in approvals impacted launches during the year, these have been deferred to FY26.
- As the company advances its growth trajectory in both residential and commercial segments and unlocks value from its hospitality segment, we believe the stock is set for further re-rating. **Reiterate BUY** with a revised TP of INR1,938 (previously 1,725), indicating a 32% upside potential.

Quarterly performance

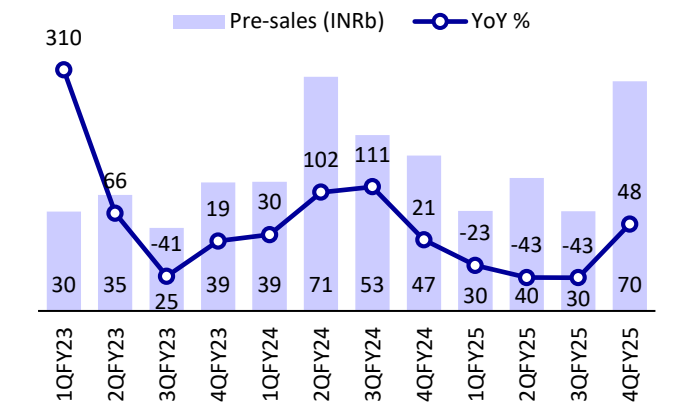
| | | | | | | | | | | | | (INR m) |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 | FY25E | Var. |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 4Q | |
| Net Sales | 16,809 | 22,364 | 17,958 | 21,640 | 18,621 | 23,044 | 16,545 | 15,284 | 78,771 | 73,494 | 45,968 | -67 |
| YoY Change (%) | -13.3 | 56.6 | -22.5 | -17.8 | 10.8 | 3.0 | -7.9 | -29.4 | -5.3 | -6.7 | 112.4 | |
| Total Expenditure | 11,542 | 16,439 | 12,443 | 13,363 | 10,658 | 16,731 | 10,644 | 9,873 | 53,787 | 47,906 | 38,225 | |
| EBITDA | 5,267 | 5,925 | 5,515 | 8,277 | 7,963 | 6,313 | 5,901 | 5,411 | 24,984 | 25,588 | 7,743 | -30 |
| Margins (%) | 31.3 | 26.5 | 30.7 | 38.2 | 42.8 | 27.4 | 35.7 | 35.4 | 31.7 | 34.8 | 16.8 | 1,855.9 |
| Depreciation | 1,655 | 1,741 | 1,797 | 1,972 | 1,905 | 2,004 | 2,047 | 2,167 | 7,165 | 8,123 | 2,103 | |
| Interest | 2,382 | 2,639 | 2,932 | 4,238 | 3,461 | 3,565 | 3,451 | 2,861 | 12,191 | 13,338 | 2,407 | |
| Other Income | 2,854 | 1,684 | 1,747 | 685 | 1,624 | 1,194 | 434 | 609 | 6,970 | 3,861 | 2,478 | |
| PBT before EO expense | 4,084 | 3,229 | 2,533 | 2,752 | 4,221 | 1,938 | 837 | 992 | 12,598 | 7,988 | 5,711 | -83 |
| Extra-Ord expense | 0 | 8,512 | 0 | 0 | 0 | 0 | 0 | 0 | 8,512 | 0 | 0 | |
| PBT | 4,084 | 11,741 | 2,533 | 2,752 | 4,221 | 1,938 | 837 | 992 | 21,110 | 7,988 | 5,711 | -83 |
| Tax | 863 | 2,564 | 723 | 786 | 1,023 | -519 | 445 | 440 | 4,936 | 1,389 | 957 | |
| Rate (%) | 21.1 | 21.8 | 28.5 | 28.6 | 24.2 | -26.8 | 53.2 | 44.4 | 23.4 | 17.4 | 16.8 | |
| Minority Interest & Profit/Loss of Asso. Cos. | 552 | 668 | 647 | 566 | 872 | 535 | 215 | 302 | 2,433 | 1,924 | 1,051 | |
| Reported PAT | 2,669 | 8,509 | 1,163 | 1,400 | 2,326 | 1,922 | 177 | 250 | 13,741 | 4,675 | 3,703 | |
| Adj PAT | 2,669 | 1,856 | 1,163 | 1,400 | 2,326 | 1,922 | 177 | 250 | 7,088 | 4,675 | 3,703 | -93 |
| YoY Change (%) | 174.0 | 397.2 | -9.0 | -69.5 | -12.9 | 3.6 | -84.8 | -82.1 | -1.7 | -34.0 | 164.5 | |
| Margins (%) | 15.9 | 8.3 | 6.5 | 6.5 | 12.5 | 8.3 | 1.1 | 1.6 | 9.0 | 6.4 | 8.1 | |
| Key metrics | | | | | | | | | | | | |
| Sale Volume (msf) | 3.8 | 6.8 | 5.5 | 4.1 | 2.9 | 3.0 | 2.2 | 4.5 | 20.2 | 12.6 | 11 | -59 |
| Sale Value (INRb) | 39.1 | 70.9 | 53.3 | 47.1 | 30.3 | 40.2 | 30.1 | 69.6 | 210.4 | 170.2 | 101 | -31 |
| Collections - PEPL share (INRb) | 25 | 24 | 29 | 33 | 27 | 26 | 31 | 14 | 110.5 | 96.7 | 23 | -40 |
| Realization (INR/sft) | 10,221 | 10,369 | 9,755 | 11,452 | 10,593 | 13,409 | 13,513 | 15,495 | 10,395 | 13,532 | 9,175 | 69 |



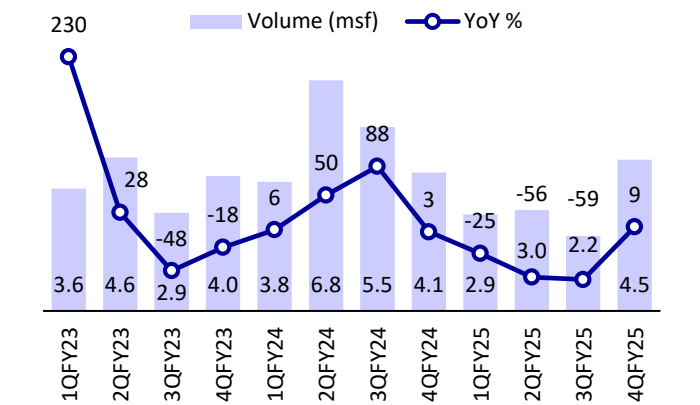
Concall highlights

- **New Launches in 4QFY25:** A total of 14msf new launches were rolled in 4QFY25, spanning four projects – Prestige Suncrest and Prestige Southern Star-Ph 1 in Bengaluru, Prestige Nautilus in Mumbai, and Prestige Spring Heights in Hyderabad, with a combined GDV potential of INR161.3b. Stock in hand stood at 13.85msf from Bangalore, Hyderabad, Mumbai, and Others.
- **FY26 Pre-sales and GDV Pipeline Outlook:** FY26 pre-sales guidance stood at INR270b, with INR120-130b expected in 1QFY26. The GDV pipeline moderated to INR420b for FY26. Additionally, INR100-150b worth of projects are available for launch, if required.
- **Hyderabad Launches in FY26:** Hyderabad will see launches of Prestige Imperial Park (2.78msf) and Prestige Rock Cliff (0.81msf) in FY26.
- **FY25 Business Development Summary:** In FY25, out of INR55b spent on BD, INR14-15b was related to stake acquisitions in PPPL, Falcon Mumbai, etc. (translating into a GDV potential of INR200b). Apart from that, acquisitions in the Bengaluru region amounted to INR4b. In the current quarter, some approval payments were made for Indirapuram, etc.
- **FY26 BD Spend and GDV Potential:** Business development spends are expected to be in the range of INR40-45b, which is expected to translate into INR300-400b in FY26.
- **Approval Status of Upcoming Projects:** Approvals for new launches have started falling in place. Evergreen, Raintree Park, Pallavpuram Chennai, and Dahisar-Mira Road projects are all expected to be launched in FY26.
- **Spillover and Pipeline Expansion:** Planned launches worth INR140b have been spilled over to FY26 due to approval delays. An additional GDV of INR500b is currently in the planning stage and will be reflected in the pipeline over the upcoming quarters.
- **Land Near Mumbai Airport:** Discussions are ongoing for about 5.5msf of commercial land near Mumbai Airport. Management will provide further updates in due course.
- **Project Execution Milestones:** For Mahalaxmi, the rehab tower is complete, and the handover of the turf and green estate has started. The targeted year of completion is 2028. The rehab tower in BKC will be handed over by Jun'25, while commercial buildings are expected to be completed by 2028. Trade Centre DIAL in Aerocity is slated for completion by the end of CY25.
- **Debt and Leverage Position:** Net debt declined to INR67b (vs INR70b in 4QFY24), with a Net Debt/Equity ratio of 0.42 and a reduced borrowing cost of 10.32%.
- **Construction Spend Outlook:** In the long run, construction spend per quarter will be in the range of INR16-18b, although some projects nearing completion may experience a rise in construction cost.
- **Collections Outlook:** Collections are expected to scale up to INR160-180b per year once the projects in the pipeline are moderated and ready for launch.
- **Capex and Completion Timeline:** BKC will be completed by FY28 and Aerocity office space, which is fully leased out, will be completed by the end of CY25. Capex to be incurred is at INR70-80b.
- **Approach to New Acquisitions:** The company follows a conservative approach to new acquisitions, targeting an EBITDA margin of 30-35%.

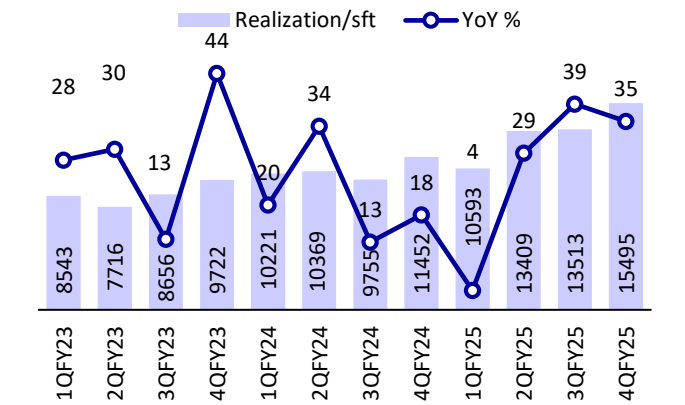
Key exhibits/story in charts

Exhibit 1: Pre-sales up 48% YoY to INR70b


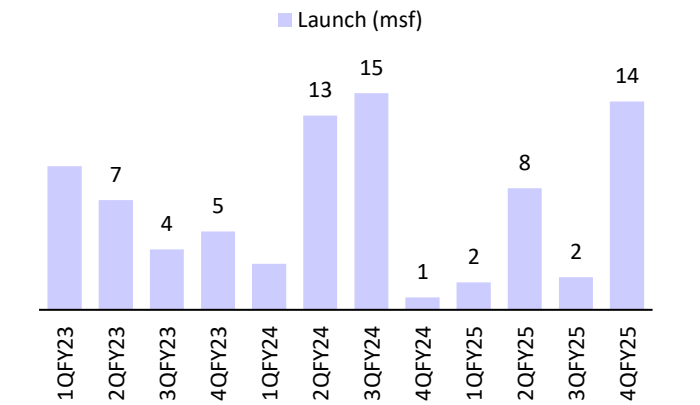
Source: Company, MOFSL

Exhibit 2: Volumes increased 9% YoY to 4.5msf


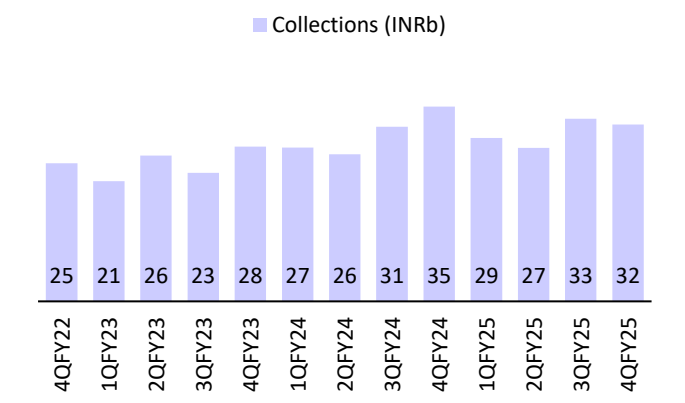
Source: Company, MOFSL

Exhibit 3: Realizations up 35% YoY at INR15,495 psf


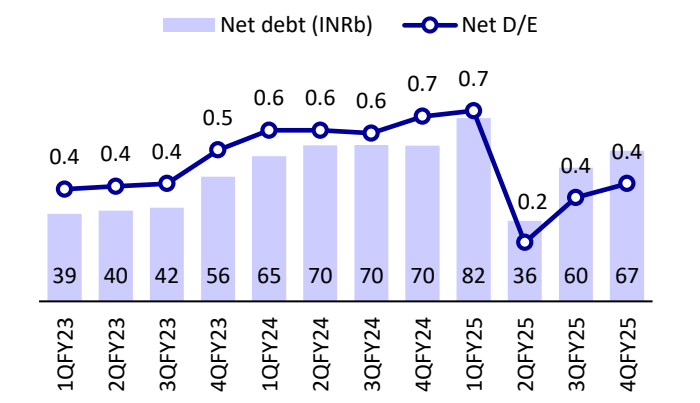
Source: MOFSL, Company

Exhibit 4: 14msf of projects launched in 4Q


Source: MOFSL, Company

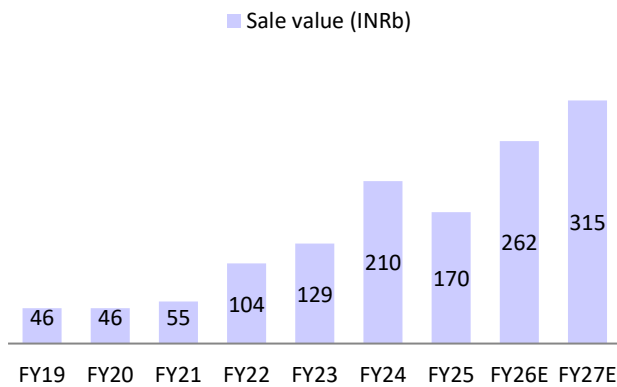
Exhibit 5: Collections declined 9% YoY to INR32b


Source: Company, MOFSL

Exhibit 6: Net debt increased to INR67b


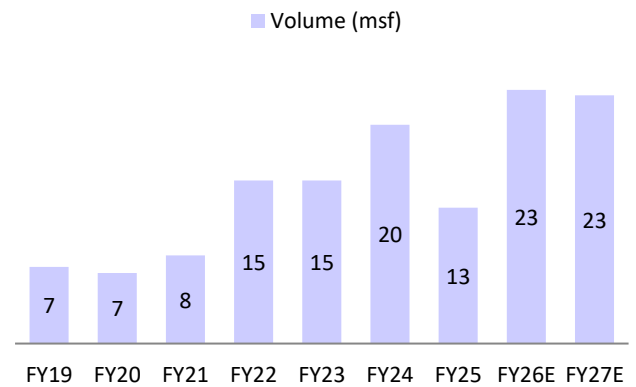
Source: Company, MOFSL

Exhibit 7: Sales to post 36% CAGR over FY25-27...



Source: Company, MOFSL

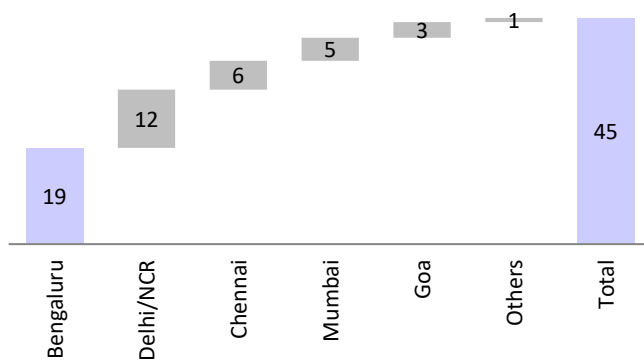
Exhibit 8: ...with steady volumes



Source: Company, MOFSL

Exhibit 9: PEPL has a diverse launch pipeline of 45msf...

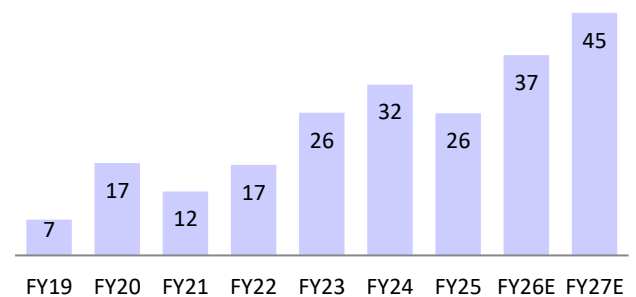
Project pipeline in msf



Source: MOFSL, Company

Exhibit 10: ...which will drive new launches in the near term

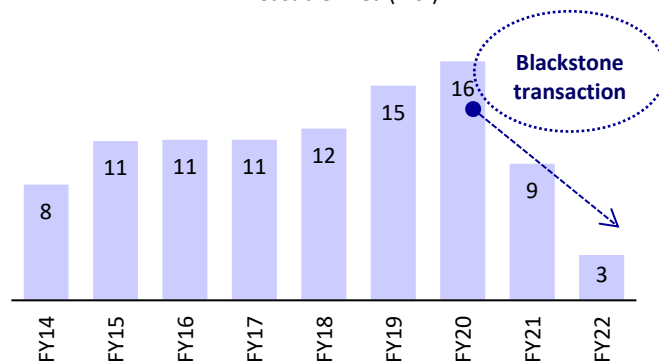
■ Launches (msf)



Source: MOFSL, Company

Exhibit 11: Leasable area in the Annuity portfolio doubled during FY14-20...

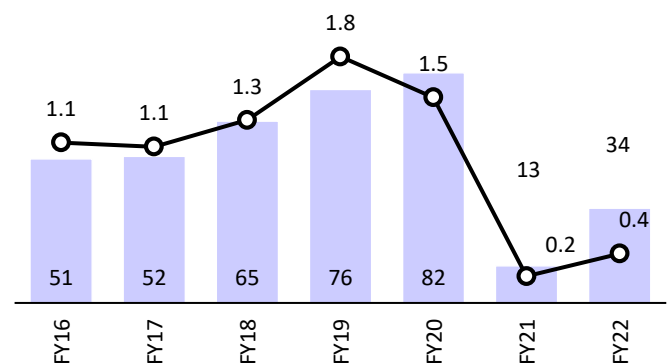
■ Leasable Area (msf)



Source: Company, MOFSL

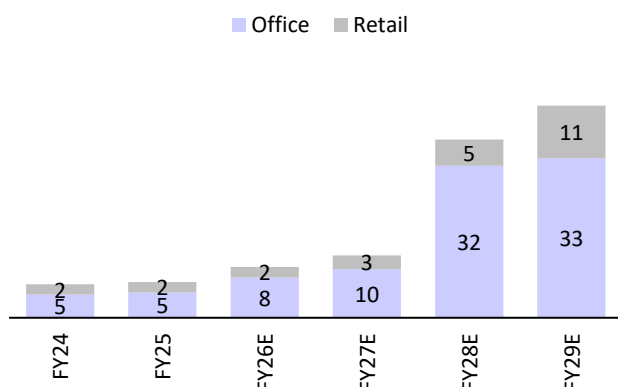
Exhibit 12: ...which led to a rise in the net D/E ratio to 1.5x in FY20 from 1.0x in FY16

■ Net debt —●— Net D/E



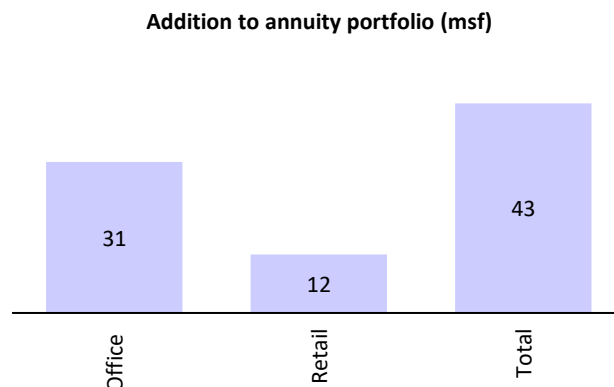
Source: Company, MOFSL

Exhibit 13: PEPL aims to scale up annuity rentals to ~INR45b over the next four years...



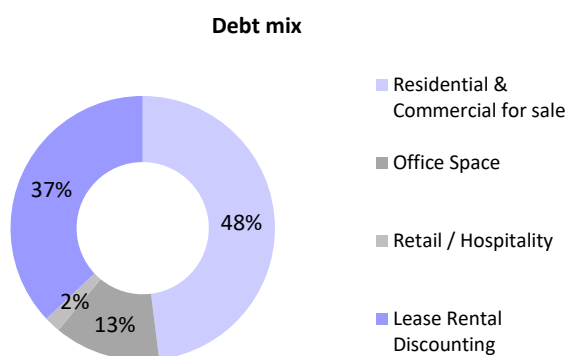
Source: Company, MOFSL

Exhibit 14: ...driven by 43msf addition to its annuity portfolio



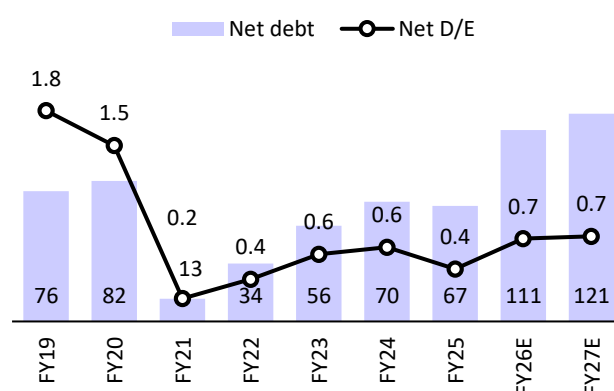
Source: Company, MOFSL

Exhibit 15: Residential segment accounted for 48% of debt



Source: Company, MOFSL

Exhibit 16: Debt to peak out at ~INR120b



Source: Company, MOFSL

Exhibit 17: Our revised earnings estimates

| (INR b) | Old | | New | | Change | |
|--------------------------|-------|-------|-------|-------|--------|-------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Revenue | 114 | 141 | 114 | 141 | 0% | 0% |
| EBITDA | 31 | 33 | 27 | 29 | -11% | -13% |
| Adj. PAT | 8 | 10 | 8 | 10 | 2% | -2% |
| Pre-sales | 262 | 315 | 262 | 315 | 0% | 0% |
| Collections (PEPL share) | 165 | 220 | 165 | 220 | 0% | 0% |

Valuation and view

We value PEPL using the DCF approach, where:

- Its residential business is valued by discounting the cash flow from the residential portfolio, including BD and land investments at a WACC of 11.8%.
- Its operational office assets are valued at a cap rate of 8% on FY26E EBITDA and ongoing/upcoming projects using DCF with a cap rate of 9.5%.
- Its operational retail assets are valued at a cap rate of 7% on FY26E EBITDA and ongoing/upcoming projects using DCF with a cap rate of 8.5%.
- Its hospitality business is valued at 17.5x EV/EBITDA on an FY26E basis.

Based on the above approach, we arrive at a GAV of INR714b. Netting off FY25 net debt of INR67b, we derive a NAV of INR647b; however, to capture the future development and going concern, we have ascribed a 35% premium to the operation of INR188b and arrived at a NAV (post-premium) of INR835b or INR1,938 per share, indicating an upside of 32%.

Exhibit 18: Our SoTP-based TP denotes a 32% upside potential; reiterate BUY

| NAV calculation | Rationale | INR b | per share (INR) | % |
|-------------------------------|--|------------|-----------------|-------------|
| Residential | ❖ Discounted cashflow of residential portfolio, including BD and land investments at 11.8% WACC | 312 | 725 | 37% |
| Office – Operational | ❖ Cap rate of 8% for operational assets and DCF for ongoing and planned assets | 22 | 51 | 3% |
| Office – Ongoing and Upcoming | ❖ Cap rate of 9.5% for operational assets and DCF for ongoing and planned assets | 88 | 205 | 11% |
| Retail Malls | ❖ Cap rate of 7% for operational assets and DCF for ongoing and planned assets with a cap rate of 8.5% | 44 | 101 | 5% |
| Hospitality | ❖ FY26E EBITDA at 17.5x EV/EBITDA | 71 | 166 | 9% |
| Property Management Services | ❖ FY26E EBITDA at 10x EV/EBITDA | 15 | 35 | 2% |
| Land Bank | ❖ 645 acres of land valued at 2x FSI | 162 | 375 | 19% |
| Gross Asset Value | | 714 | 1658 | 86% |
| Less: Net debt | ❖ FY25 | (67) | (156) | (8%) |
| Net Asset Value | | 647 | 1,502 | 78% |
| Premium/going concern | ❖ 35% of the current portfolio | 188 | 437 | 23% |
| NAV post Premium | | 835 | 1,938 | 100% |
| CMP | | | 1,467 | |
| Upside | | | 32% | |

Source: MOFSL

Financials and Valuation

Consolidated Profit & Loss (INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Total Income from Operations | 72,644 | 63,895 | 83,150 | 78,771 | 73,494 | 1,14,313 | 1,40,667 |
| Change (%) | -10.6 | -12.0 | 30.1 | -5.3 | -6.7 | 55.5 | 23.1 |
| Construction Cost | 44,753 | 38,904 | 47,244 | 26,923 | 13,136 | 48,011 | 63,300 |
| Employees Cost | 4,206 | 4,510 | 6,034 | 7,467 | 8,217 | 12,781 | 15,727 |
| Other Expenses | 3,963 | 5,146 | 9,009 | 19,397 | 26,553 | 26,292 | 32,353 |
| Total Expenditure | 52,922 | 48,560 | 62,287 | 53,787 | 47,906 | 87,084 | 1,11,381 |
| % of Sales | 72.9 | 76.0 | 74.9 | 68.3 | 65.2 | 76.2 | 79.2 |
| EBITDA | 19,722 | 15,335 | 20,863 | 24,984 | 25,588 | 27,229 | 29,286 |
| Margin (%) | 27.1 | 24.0 | 25.1 | 31.7 | 34.8 | 23.8 | 20.8 |
| Depreciation | 5,926 | 4,710 | 6,471 | 7,165 | 8,123 | 9,509 | 11,254 |
| EBIT | 13,796 | 10,625 | 14,392 | 17,819 | 17,465 | 17,720 | 18,032 |
| Int. and Finance Charges | 9,899 | 5,553 | 8,066 | 12,191 | 13,338 | 10,600 | 10,600 |
| Other Income | 2,374 | 2,107 | 4,570 | 6,970 | 3,861 | 6,287 | 7,737 |
| PBT bef. EO Exp. | 6,271 | 7,179 | 10,896 | 12,598 | 7,988 | 13,407 | 15,169 |
| EO Items | 14,698 | 8,079 | 3,079 | 8,512 | 0 | 0 | 0 |
| PBT after EO Exp. | 20,969 | 15,258 | 13,975 | 21,110 | 7,988 | 13,407 | 15,169 |
| Total Tax | 5,198 | 2,945 | 3,475 | 4,936 | 1,389 | 3,378 | 3,823 |
| Tax Rate (%) | 24.8 | 19.3 | 24.9 | 23.4 | 17.4 | 25.2 | 25.2 |
| Minority Interest | 250 | 813 | 1,250 | 2,546 | 1,494 | 1,569 | 1,647 |
| Reported PAT | 15,521 | 11,500 | 9,250 | 13,628 | 5,105 | 8,460 | 9,699 |
| Adjusted PAT | 4,466 | 4,552 | 7,213 | 7,106 | 5,105 | 8,460 | 9,699 |
| Change (%) | -14.7 | 1.9 | 58.5 | -1.5 | -28.2 | 65.7 | 14.7 |
| Margin (%) | 6.1 | 7.1 | 8.7 | 9.0 | 6.9 | 7.4 | 6.9 |

Consolidated Balance Sheet (INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Equity Share Capital | 4,009 | 4,009 | 4,009 | 4,009 | 4,307 | 4,307 | 4,307 |
| Total Reserves | 62,744 | 86,937 | 95,744 | 1,08,879 | 1,49,923 | 1,57,736 | 1,66,789 |
| Net Worth | 66,753 | 90,946 | 99,753 | 1,12,888 | 1,54,230 | 1,62,043 | 1,71,096 |
| Minority Interest | 4,198 | 4,523 | 2,832 | 5,122 | 4,815 | 4,815 | 4,815 |
| Total Loans | 36,112 | 65,130 | 81,208 | 1,14,623 | 1,06,002 | 1,06,002 | 1,06,002 |
| Deferred Tax Liabilities | 2,688 | 2,731 | 3,118 | 5,447 | 5,583 | 5,583 | 5,583 |
| Capital Employed | 1,09,751 | 1,63,330 | 1,86,911 | 2,38,080 | 2,70,630 | 2,78,443 | 2,87,496 |
| Gross Block | 50,188 | 75,671 | 91,370 | 1,17,422 | 1,44,300 | 1,72,665 | 2,02,469 |
| Less: Accum. Deprn. | 12,918 | 17,628 | 24,099 | 31,264 | 39,387 | 48,896 | 60,150 |
| Net Fixed Assets | 37,270 | 58,043 | 67,271 | 86,158 | 1,04,913 | 1,23,769 | 1,42,319 |
| Goodwill on Consolidation | 534 | 534 | 534 | 534 | 534 | 534 | 534 |
| Capital WIP | 27,396 | 17,246 | 23,987 | 21,372 | 14,243 | 19,819 | 17,913 |
| Total Investments | 9,072 | 7,724 | 10,228 | 12,786 | 12,495 | 12,495 | 12,495 |
| Curr. Assets, Loans&Adv. | 1,92,917 | 2,20,894 | 2,63,809 | 3,64,337 | 4,55,767 | 3,54,758 | 4,01,794 |
| Inventory | 95,805 | 1,15,667 | 1,43,671 | 2,41,562 | 3,18,831 | 1,78,939 | 2,28,865 |
| Account Receivables | 13,740 | 14,196 | 13,286 | 12,340 | 13,582 | 18,791 | 23,123 |
| Cash and Bank Balance | 24,012 | 21,712 | 18,146 | 25,582 | 23,930 | 71,293 | 44,305 |
| Loans and Advances | 59,360 | 69,319 | 88,706 | 84,853 | 99,424 | 85,734 | 1,05,500 |
| Curr. Liability & Prov. | 1,57,438 | 1,41,111 | 1,78,918 | 2,47,107 | 3,17,322 | 2,32,931 | 2,87,559 |
| Account Payables | 10,820 | 9,800 | 14,514 | 16,574 | 18,710 | 19,087 | 24,412 |
| Other Current Liabilities | 1,41,805 | 1,23,211 | 1,59,270 | 2,23,146 | 2,93,416 | 2,05,763 | 2,53,201 |
| Provisions | 4,813 | 8,100 | 5,134 | 7,387 | 5,196 | 8,082 | 9,945 |
| Net Current Assets | 35,479 | 79,783 | 84,891 | 1,17,230 | 1,38,445 | 1,21,826 | 1,14,236 |
| Appl. of Funds | 1,09,751 | 1,63,330 | 1,86,911 | 2,38,080 | 2,70,630 | 2,78,443 | 2,87,496 |

Financials and valuations

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | |
| EPS | 11.9 | 12.1 | 19.2 | 19.0 | 13.6 | 22.6 | 25.9 |
| Cash EPS | 27.7 | 24.7 | 36.5 | 38.1 | 35.3 | 47.9 | 55.9 |
| BV/Share | 178.0 | 242.5 | 266.0 | 301.0 | 411.3 | 432.1 | 456.3 |
| DPS | 2.6 | 1.6 | 1.6 | 1.6 | 1.9 | 1.6 | 1.6 |
| Payout (%) | 8.2 | 5.6 | 7.0 | 4.7 | 15.2 | 7.6 | 6.7 |
| Valuation (x) | | | | | | | |
| P/E | 123.3 | 120.9 | 76.3 | 77.5 | 107.8 | 65.1 | 56.8 |
| Cash P/E | 53.0 | 59.4 | 40.2 | 38.6 | 41.6 | 30.6 | 26.3 |
| P/BV | 8.2 | 6.1 | 5.5 | 4.9 | 3.6 | 3.4 | 3.2 |
| EV/Sales | 8.3 | 9.9 | 7.8 | 8.6 | 9.1 | 5.5 | 4.6 |
| EV/EBITDA | 30.5 | 41.2 | 31.2 | 27.1 | 26.2 | 22.9 | 22.2 |
| Dividend Yield (%) | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| FCF per share | 27.3 | -3.3 | -2.8 | -49.3 | -36.2 | 134.4 | -54.5 |
| Return Ratios (%) | | | | | | | |
| RoE | 7.4 | 5.8 | 7.6 | 6.7 | 3.8 | 5.3 | 5.8 |
| RoCE | 10.0 | 7.9 | 8.5 | 9.3 | 7.2 | 6.8 | 7.1 |
| RoIC | 13.3 | 10.3 | 8.6 | 8.7 | 7.2 | 6.7 | 7.0 |
| Working Capital Ratios | | | | | | | |
| Fixed Asset Turnover (x) | 1.4 | 0.8 | 0.9 | 0.7 | 0.5 | 0.7 | 0.7 |
| Asset Turnover (x) | 0.7 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.5 |
| Inventory (Days) | 481 | 661 | 631 | 1,119 | 1,583 | 571 | 594 |
| Debtor (Days) | 69 | 81 | 58 | 57 | 67 | 60 | 60 |
| Creditor (Days) | 54 | 56 | 64 | 77 | 93 | 61 | 63 |
| Leverage Ratio (x) | | | | | | | |
| Current Ratio | 1.2 | 1.6 | 1.5 | 1.5 | 1.4 | 1.5 | 1.4 |
| Interest Cover Ratio | 1.4 | 1.9 | 1.8 | 1.5 | 1.3 | 1.7 | 1.7 |
| Net Debt/Equity | 0.0 | 0.4 | 0.6 | 0.6 | 0.4 | 0.7 | 0.7 |

Consolidated Cash flow (INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|----------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| OP/(Loss) before Tax | 20,719 | 15,093 | 14,143 | 12,598 | 7,558 | 13,407 | 15,169 |
| Depreciation | 5,926 | 4,710 | 6,471 | 7,165 | 8,123 | 9,509 | 11,254 |
| Interest & Finance Charges | 9,899 | 5,553 | 8,066 | 5,221 | 13,338 | 4,313 | 2,863 |
| Direct Taxes Paid | -2,074 | -2,361 | -3,288 | -4,936 | -3,957 | -3,378 | -3,823 |
| (Inc)/Dec in WC | 545 | 8,141 | -2,418 | -24,903 | -20,841 | 63,981 | -19,397 |
| CF from Operations | 35,015 | 31,136 | 22,974 | -4,855 | 4,221 | 87,832 | 6,067 |
| Others | -16,495 | -9,737 | -7,579 | 8,512 | -2,914 | 0 | 0 |
| CF from Operating incl EO | 18,520 | 21,399 | 15,395 | 3,657 | 1,307 | 87,832 | 6,067 |
| (Inc)/Dec in FA | -7,591 | -22,704 | -16,502 | -23,437 | -15,829 | -33,941 | -27,898 |
| Free Cash Flow | 10,929 | -1,305 | -1,107 | -19,780 | -14,522 | 53,890 | -21,831 |
| (Pur)/Sale of Investments | -4,060 | -18,144 | -9,111 | -2,558 | -387 | 0 | 0 |
| Others | 16,562 | 394 | -1,948 | 6,970 | 2,732 | 6,287 | 7,737 |
| CF from Investments | 4,911 | -40,454 | -27,561 | -19,025 | -13,484 | -27,654 | -20,161 |
| Issue of Shares | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 |
| Inc/(Dec) in Debt | 4,812 | 21,358 | 17,027 | 33,415 | -4,333 | 0 | 0 |
| Interest Paid | -9,847 | -5,341 | -7,412 | -12,191 | -11,105 | -10,600 | -10,600 |
| Dividend Paid | 0 | -646 | -646 | -646 | -775 | -646 | -646 |
| Others | -1,415 | 613 | -3,514 | -2,546 | -24,195 | -1,569 | -1,647 |
| CF from Fin. Activity | -6,450 | 15,984 | 5,455 | 18,032 | 9,592 | -12,815 | -12,893 |
| Inc/Dec of Cash | 16,981 | -3,071 | -6,711 | 2,664 | -2,585 | 47,363 | -26,987 |
| Opening Balance | 7,031 | 24,012 | 21,712 | 18,146 | 22,679 | 23,930 | 71,293 |
| Closing Balance | 24,012 | 21,712 | 18,146 | 25,582 | 23,930 | 71,293 | 44,305 |

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

NOTES

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | $\geq 15\%$ |
| SELL | $< -10\%$ |
| NEUTRAL | $< -10\%$ to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.

8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

| Contact Person | Contact No. | Email ID |
|--------------------|-----------------------------|------------------------------|
| Ms. Hemangi Date | 022 40548000 / 022 67490600 | query@motilaloswal.com |
| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
| Mr. Ajay Menon | 022 40548083 | am@motilaloswal.com |

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.