

About the Company

Prestige Group, established in 1986, is one of India's leading real estate developers with a strong foothold in Bangalore and an expanding presence across major metro cities. With over 38 years of experience, the company has developed a diverse portfolio across all asset classes. With over 300 projects completed, it has delivered more than 180 Mn sq. ft. of built-up space.

Investment Rationale

- **Launches led to pick-up in sales; Strong guidance:** In Q4FY25, the company launched projects totalling 14 Mn sq. ft., including two major projects, Prestige Southern Star and Prestige Spring Heights, each covering ~5 Mn sq. ft. as compared to ~10 Mn sq. ft. in 9MFY25. Its pre-sales for FY25 stood at Rs 17,000 Cr, missing its earlier guidance of Rs ~24,000 Cr but in line with our expectations post Q3FY25. Prestige has guided towards a launch pipeline of GDV Rs 42,000 Cr while having an unsold inventory of Rs ~20,000 Cr. It has also guided towards a pre-sales of Rs 27,000 Cr, of which Q1FY26 is expected to contribute ~Rs 12,000 Cr on the back of the recent three Mumbai launches. This shows a good upcoming FY26 on the back of spill-over launches and a lower base.
- **Robust Annuity Performance:** The company showed an occupancy level of ~90% for its office segments and a strong 99% for its retail presence. EBITDA margins stood at 79%, leading to a rise in EBITDA from the annuity space of Rs 5,932 Cr for FY25. The exit rentals for its commercial/retail portfolio stood at Rs 5,230 Cr/ Rs 2,185 Cr. The upcoming pipeline stands at 8/10 Mn sq. ft. for commercial/retail segments. Its annuity capex stood at ~Rs 13,460 Cr, up from ~Rs 12,800 Cr. Prestige sees exit rentals escalating from the current Rs 7,400 Cr to Rs 44,000 Cr by FY29E.
- **Collections recovery in coming quarters:** While the company saw decent pre-sales despite delayed launches, its collections remained subdued. The reported collections for Q4FY25 of Rs 3,155 Cr showed 9% de-growth YoY. This was mainly impacted due to launches happening at the far end of Mar'25, and hence could not translate into collections. Prestige expects this spill over to happen in Q1FY26. The collections for the year stood at Rs 12,084 Cr, flat YoY.

Valuation & Analyst recommendation:

- **Prestige aims to offset the muted FY25 performance in FY26E, with a robust launch pipeline of Rs 42,000 Cr combined with an existing inventory base of Rs 21,000 Cr. We believe Prestige is well-positioned to achieve a 65% YoY growth in pre-sales to Rs 28,000 Cr. We recommend a BUY rating on the stock with a TP of Rs 1,865/share, implying an upside of 10% from the CMP.**

Financial Summary

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	RoE (%)	Net Debt/Equity (%)	EV/EBITDA (x)
FY24	7,877	2,498	1,374	34.3	43.3	12.2	13.4	27.7
FY25	7,349	2,559	468	11.7	127.3	3.0	7.6	26.7
FY26E	10,102	3,391	1,111	27.7	53.5	6.7	7.9	21.1
FY27E	13,088	4,505	1,985	49.5	30	10.8	10.6	13.6

Source: Axis Securities; CMP as on 16th June, 2025

Duration: 3-6 Months

CMP (Rs)	1,695
Target Price (Rs)	1,865
Upside (%)	10%

| Why Prestige Estates Projects Ltd

- ✓ **Robust Order Book**
- ✓ **Recovery in Collections**
- ✓ **Spill-over Launches**

| Key risks

- ✓ **Delay in Project Execution**
- ✓ **Delay in Approvals**
- ✓ **Geopolitical Conflicts**

MARKET DATA

No. of Shares	43 Cr
Market Cap	72,547 Cr
52-week High / Low	2,072/1,048
BSE Code	533274
NSE Code	PRESTIGE

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| OBJECTIVE



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| Axis PUNCH is a strong, research-based idea based on



Events-Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

| Why to choose Axis PUNCH



These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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