Aditya Birla Real Estate: Launch Pipeline to Drive Pre-sales

BUY

August 14, 2026 I CMP: INR 1,393 I Target Price: INR 1,880

Expected Share Price Return: 35.0% I Dividend Yield: 0.2% I Potential Upside: 35.2%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✗

Company Info	
BB Code	ABREL IN EQUITY
Face Value (INR)	10
52-week High/Low (INR)	1,097/1,080
Mkt Cap (INR Bn)	INR 156.25 / $1.64
Shares o/s (Mn)	111.7
3M Avg. Daily Volume	1,79,642

Change in CIE Estimates

	FY27E			FY28E		
INR Mn	**New**	**Old**	**Dev (%)**	**New**	**Old**	**Dev.(%)**
Pre-sales (Value)	72,696	72,666	0.0	97,761	1,57,456	(37.9)
Pre-sales (Volume)	3.0	3.0	-	3.0	4.0	(24.6)
Collection	31,331	31,308	0.1	59,079	77,047	(23.3)

Key Financials

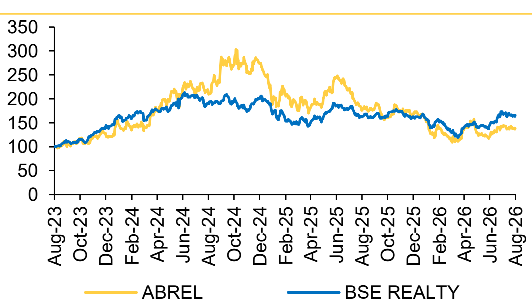
INR Mn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	12,189	4,072	5,056	40,758	1,16,135
YoY (%)	10.7	(66.6)	24.2	706.1	184.9
EBITDA	680	(3,072)	552	4,035	16,644
YoY (%)	(76.6)	NM	NM	631.6	312.5
RPAT	(1,487)	(3,381)	6,022	2,249	11,703
ROE (%)	(3.8)	(9.1)	14.1	5.1	21.1
ROCE (%)	0.0	(4.0)	(0.2)	5.7	23.8

Shareholding Pattern (%)

	Jun-26	**Mar-26**	**Dec-25**
Promoters	50.21	50.21	50.21
FIIs	9.26	9.04	8.96
DIIs	16.63	16.40	16.90
Public	23.89	24.34	23.94

Relative Performance (%)

YTD	**3Y**	**2Y**	**1Y**
BSE Realty	65.6	(12.8)	1.7
ABREL	38.2	(36.7)	(21.3)



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Q1FY27_Realty Preview

Pre-sales subdued due to absence of launches

Pre-sales decreased to **INR 3,290 Mn due to the absence of new launches.** This level of pre-sales was attributed to **sustenance sales**, with Pune contributing **36%**, led by Birla Punya Phase 2 and Birla Evam. Bengaluru saw **91% of Birla Trimaya Phase 4 inventory sold within two quarters**, while Birla Navya Phase 6 contributed INR 420 Mn to NCR pre-sales, which was around **10% of this quarter's total sales**.

Sustainable Growth with Strong Pre-sales & Launch Pipeline

ABREL has materially **strengthened its development pipeline to over INR 739 Bn GDV** (34.7 msf), spanning **INR 318 Bn (20.0 msf) of ongoing** and **INR 421 Bn (14.7 msf) of upcoming projects**. The company has a well-diversified presence across high-growth markets, led by **MMR (~61%), followed by NCR (~19%), then Bengaluru (~12%) and Pune (~8%)**. **ABREL** is also scaling up its Grade-A commercial portfolio, which is anchored by operational assets: **Birla Centurion (0.32 msf) and Birla Aurora (0.26 msf),** alongside ~2 msf of upcoming commercial tower.

Positioning in Premium Real Estate Segment with Brand Moat

ABREL benefits from **Aditya Birla Group's strong brand equity** and governance standards, thus **reinforcing customer trust and premium positioning**.

Strategic Capital Deployment and Scalable Asset-light Model

The sale of Century Pulp & Paper to ITC for **INR 34.98 Bn** was completed on **1 August 2026**, marking a key balance-sheet inflection, proceeds of which have been earmarked for **material deleveraging and growth.**

Valuation and View

We maintain our **'BUY' recommendation** on ABREL and target price of **INR 1,880/sh**, which is an upside of **35.0%**, employing a SOTP valuation framework.

Key Risks

A possible broad-based slowdown in the domestic economy and regulatory procedures. Additionally, reliance on JDA structure risks partner alignment.

ABREL Valuation Summary	**NAV Per Share**
Residential Value from Ongoing Projects	2,171
Commercial Rental	106
Total EV	**2,276**
Less Total Debt (FY26E)	505
Add: Cash and Cash Eqv	125
SOTP Valuation	**1,880**
CMP	1,393
Upside (%)	**35.0**

Quarterly Performance

- **Pre-sales (value) came in at INR 3,290 Mn**, down 92.3/22.1% QoQ/YoY, respectively, on a high base vs CIE est. of INR 10,900 Mn. There was no new launch during the quarter
- **Pre-sales (volume) came in at 0.4 msf**, down 86.7% QoQ and up 33.3% YoY (on a high base)
- **Average price realisation (INR psf) was INR 8,225**, down 42.5% and 41.6% QoQ and YoY, respectively
- **Collections were INR 7,130 Mn**, down 28.2% QoQ and up 30.8% YoY vs CIE est. of INR 6,262 Mn

ABREL Particulars	**Q4FY26**	**Q4FY25**	**YoY (%)**	**Q3FY26**	**QoQ (%)**
Presales (Value)	3,290	4,225	(22.1)	42,882	(92.3)
Presales (Volume)	0.4	0.3	33.3	3.0	(86.7)
Collection	7,130	5,453	30.8	9,937	(28.2)
Average Price Realisation (INR Psf)	8,225	14,083	(41.6)	14,294	(42.5)
Revenue from Operations	**1,889**	**1,456**	29.7	**826**	128.6
EBITDA (including OI)	**(384)**	**(281)**	NA	**(1,445)**	NA
RPAT from continuing operations	**(670)**	**(473)**	NA	**(1,103)**	NA
Basic EPS (INR)	**(6.4)**	**(4.1)**	NA	**(9.5)**	NA

Source: ABREL, Choice Institutional Equities

Management Call – Highlights

Operations:

Q1FY27 net bookings stood at INR 3,270 Mn, with cancellations largely cleanup-related and rebookings at significantly higher prices

Pune, Bengaluru and Taranya continued to witness steady sustenance sales

Vashi Redevelopment: Adds ~INR 26 Bn GDV, taking the portfolio to INR ~ 43 Bn, with 25–30% margins and 90% economic share

- Q1FY27 net bookings stood at **INR 3,270 Mn**, while gross bookings exceeded **INR 7,000 Mn**; reported sales were impacted by cancellations/terminations due to payment issues
- **Cancellations were largely considered healthy/cleanup-related**, with **rebooking taking place at a significantly higher price**; at Birla Niyaara, select rebookings were done at INR ~40 Mn higher per apartment
- Pune and Bengaluru continued to witness **steady sustenance sales and price increases**, supporting the management's confidence in underlying demand
- Vashi redevelopment project, in which ABREL has 90% **economic share**, adds **INR ~26 Bn GDV**, taking the residential redevelopment portfolio to **INR ~43 Bn,** with **25–30% margin expected.**

Launches:

No launches in Q1FY27 led to muted reported pre-sales

The INR 96 Bn FY27E launch pipeline remains on track, with most launches in Q3–Q4, including Birla Niyaara targeted for early/mid-Q3.

Collections remain healthy with ~98% efficiency

- **No launch was undertaken in Q1FY27, resulting in relatively muted pre-sales**; however, the management noted that underlying sales remained healthy across key projects
- **The FY27E launch pipeline worth INR 96 Bn remains on track**, with **most launches scheduled for Q3–Q4 FY27.** The **Birla Niyaara launch is targeted for early/mid-Q3 FY27, subject to approvals**
- Birla Niyaara will offer larger-format homes, with the management anticipating a strong demand from existing and prospective customers; **RERA approval is expected by end-Q2 FY27.** Tower C is expected to command indicative pricing of **INR 1.0–1.2 lakh/sq ft**

Guidance and Business Development :

Guidance of achieving INR 150 Bn pre-sales by FY29E

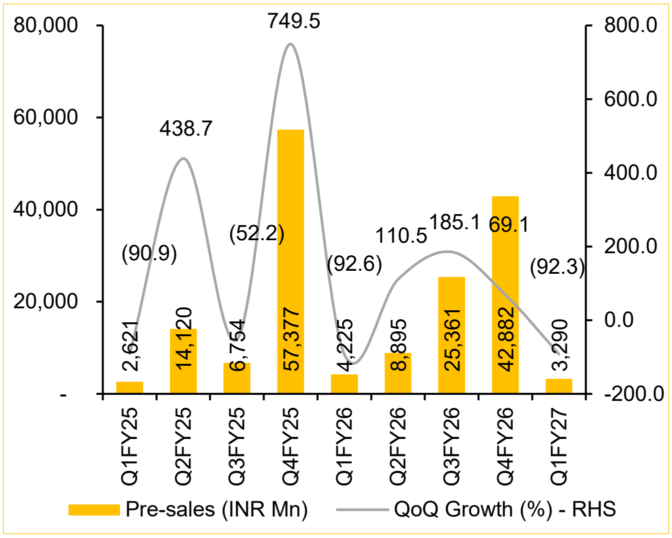
FY27E BD target remains at INR 100–150 Bn GDV

Total BD pipeline stands at INR ~600 Bn

Evaluating new commercial development opportunities across Mumbai and NCR, with Century Bhavan a potential longer-term redevelopment opportunity

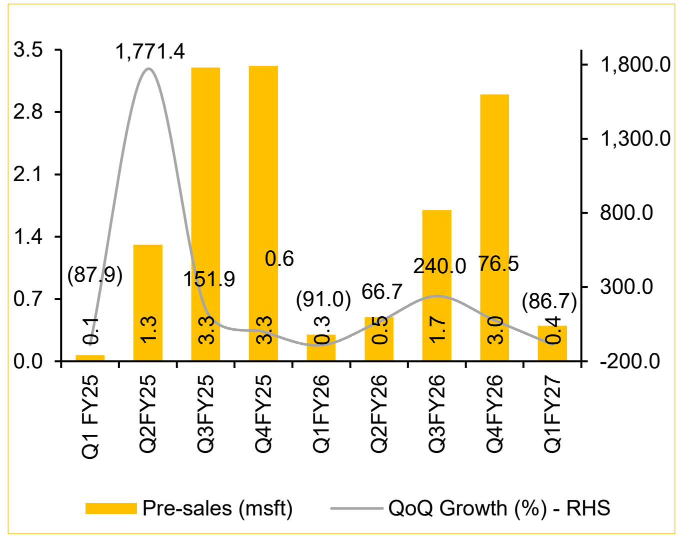
- The management remains confident of achieving **pre-sales worth INR 150 Bn by FY29E**, supported by a strong project pipeline and planned launches
- **FY27E business development (BD)** target remains at **INR 100–150 Bn GDV**, with focus on quality opportunities and disciplined risk management
- Total BD pipeline stands at **INR ~600 Bn**, reasonably spread across NCR, Mumbai, Pune and Bengaluru, with a relatively higher Mumbai pipeline owing to redevelopment
- Century Pulp & Paper sale proceeds have reduced **net debt to zero**, providing greater financial flexibility; however, management will remain disciplined and will not pursue acquisitions merely due to surplus capital
- The management is evaluating **new commercial development opportunities across Mumbai and NCR**, while **Century Bhavan remains a potential redevelopment opportunity** over the longer term

Pre-sales (INR Mn) down 92.3% QoQ and 22.1% YoY



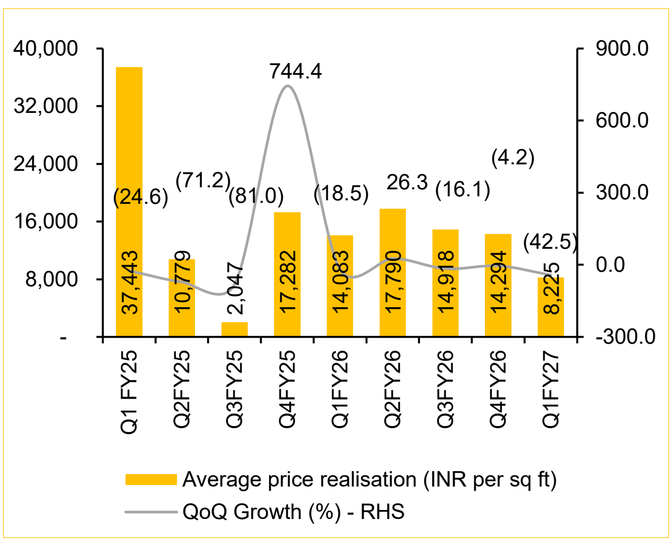
Source: ABREL, Choice Institutional Equities

Pre-sales (msf) down 86.7% QoQ and up 33.3% YoY



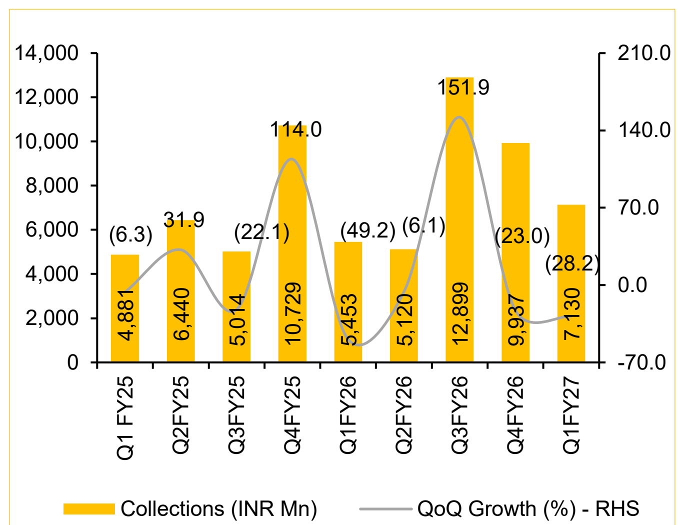
Source: ABREL, Choice Institutional Equities

Average price realisation down 42.5% QoQ and 41.6% YoY



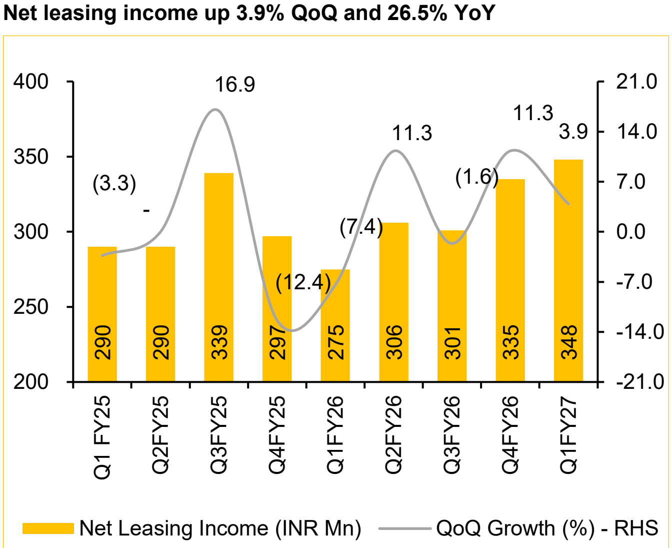
Source: ABREL, Choice Institutional Equities

Collections down 28.2% QoQ and up 30.8% YoY



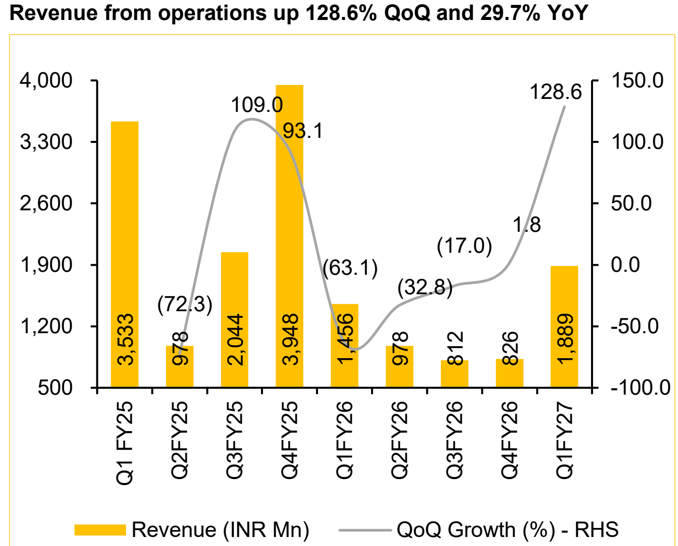
Source: ABREL, Choice Institutional Equities

Net leasing income up 3.9% QoQ and 26.5% YoY



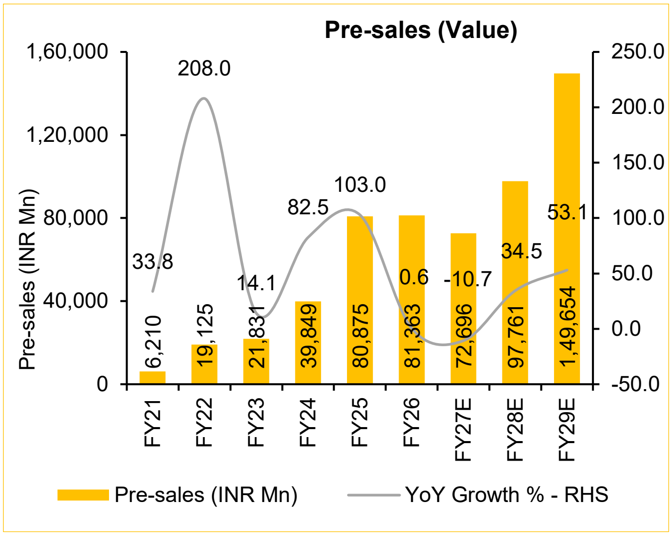
Source: ABREL, Choice Institutional Equities

Revenue from operations up 128.6% QoQ and 29.7% YoY



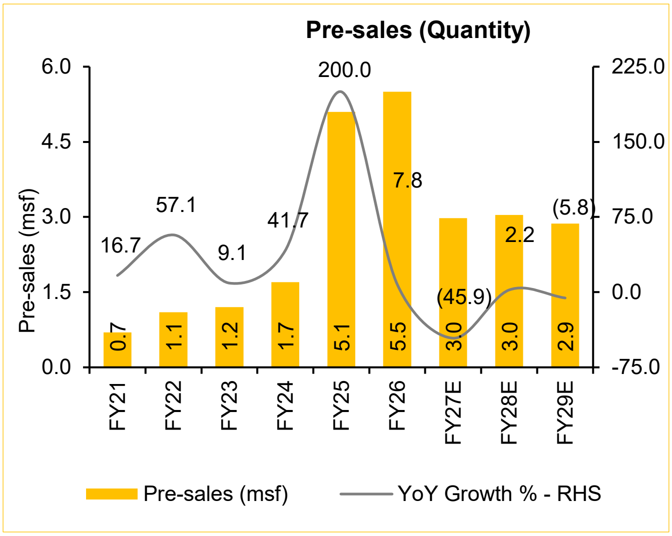
Source: ABREL, Choice Institutional Equities

Pre-sales (value) sensitive to launch timing



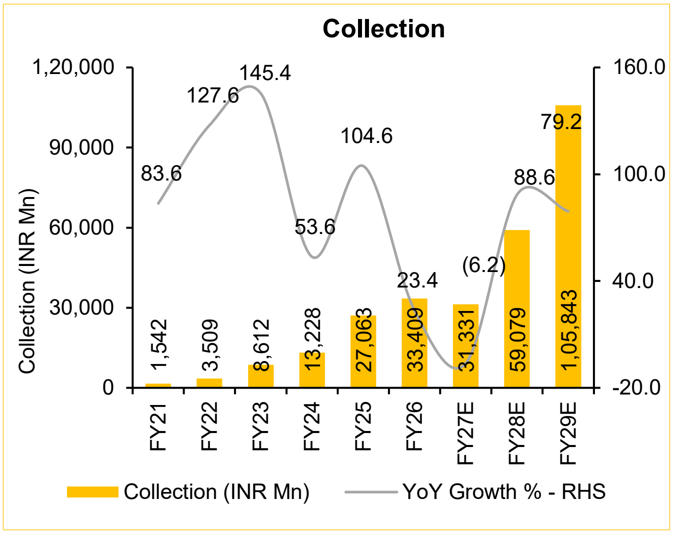
Source: ABREL, Choice Institutional Equities

Pre-sales (volume) varies by launch schedule



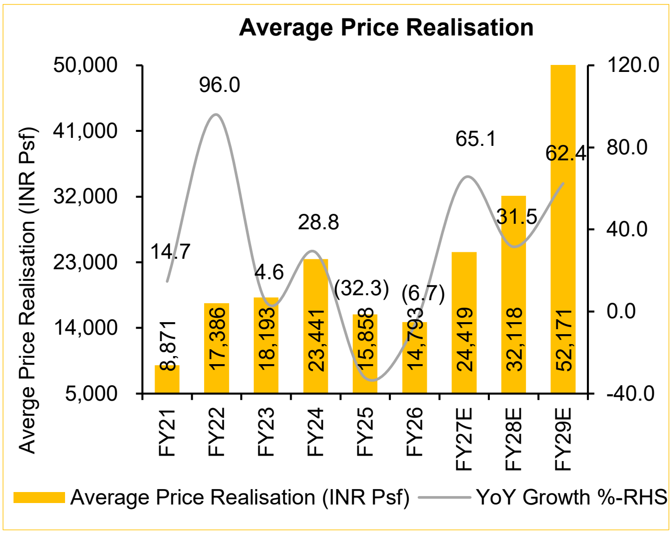
Source: ABREL, Choice Institutional Equities

Collections forecast to expand at 46.9% CAGR (FY26–FY29E)



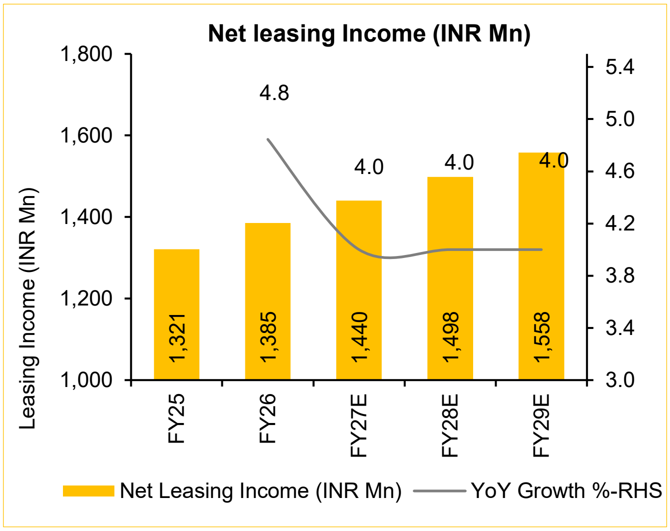
Source: ABREL, Choice Institutional Equities

Price realisation to improve with a higher mix of premium launches



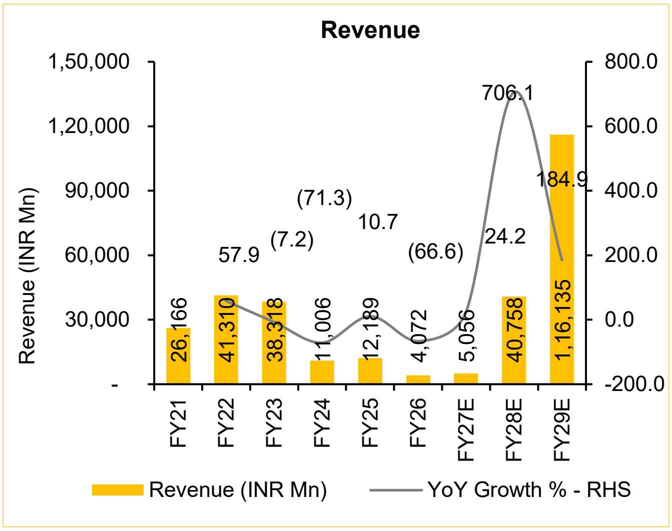
Source: ABREL, Choice Institutional Equities

Net leasing income anticipated to grow at a steady rate



Source: ABREL, Choice Institutional Equities

Revenue recognition will depend on project delivery timelines



Source: ABREL, Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	12,189	4,072	5,056	40,758	1,16,135
Gross profit	1,287	2,381	2,023	18,341	58,067
EBITDA	**680**	**(3,072)**	**552**	**4,035**	**16,644**
Depreciation	638	675	709	767	793
EBIT	42	(3,747)	(157)	3,268	15,851
Interest expense	458	644	267	137	114
Other income	385	520	546	573	602
PBT	(1,790)	(4,771)	8,029	2,999	15,604
RPAT	**(1,487)**	**(3,381)**	**6,022**	**2,249**	**11,703**
APAT	(979)	(1,586)	6,022	2,249	11,703
EPS	(13.5)	(29.5)	53.9	20.1	104.8

Particular	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios					
Revenue (%)	10.7	(66.6)	24.2	706.1	184.9
EBITDA (%)	(76.6)	(551.5)	(118.0)	631.6	312.5
PAT (%)	NA	127.3	NA	(62.7)	420.4
Margin ratios					
EBITDA margins (%)	5.4	(66.9)	9.8	9.8	14.3
PAT Margins (%)	(11.8)	(73.6)	107.5	5.4	10.0
Profitability Ratios					
RoE %	(3.8)	(9.1)	14.1	5.1	21.1
ROCE	0.0	(4.0)	(0.2)	5.7	23.8
ROIC(Pre tax) %	0.0	(4.0)	(0.2)	5.7	23.8
Financial Leverage					
OCF/EBITDA (X)	(19.0)	(2.4)	3.0	7.7	1.8
OCF/IC (%)	(14.6)	8.0	2.5	54.5	43.7
Debt/Equity	1.3	1.5	0.6	0.3	0.2
Interest Cover (x)	0.1	(5.8)	(0.6)	23.8	139.4
Working Capital					
Inventory	2,678	14,228	9,915	6,896	1,014
Debtors	993	214	117	169	1,298
Payables	248	1,001	593	313	251
Valuation metrics					
Fully diluted shares (Mn)	111	112	112	112	112
Price (Rs)	1,238	1,238	1,395	1,395	1,395
Market cap (INR Bn)	136.89	138.27	155.81	155.81	155.81
EV (INR Bn)	176.85	180.65	163.15	133.87	106.46
PE(x)	(92.0)	(41.9)	25.9	69.3	13.3
EV/EBITDA (x)	259.9	(58.8)	295.8	33.2	6.4
Book value (Rs/share)	351.6	331.2	382.6	397.8	497.5
Price to BV (x)	3.5	3.7	3.6	3.5	2.8

Source: ABREL, Choice Institutional Equities

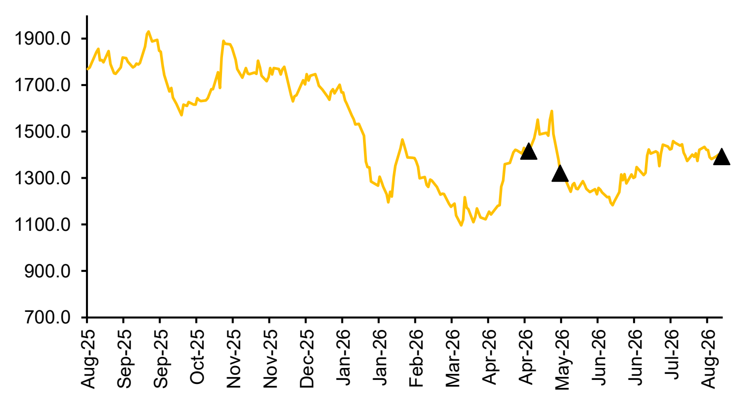
Balance Sheet (Consolidated in INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Net worth	38,883	36,992	42,735	44,425	55,570
Lease liabilities	-	-	-	-	-
Total debt	49,965	56,365	23,791	12,475	11,077
Other liabilities & provisions	5,193	4,875	4,875	4,875	4,875
Liabilities directly associated with assets held for sale	5,141	4,017	-	-	-
Total Net Worth & liabilities	**99,182**	**1,02,249**	**71,400**	**61,775**	**71,521**
Net fixed assets	6,713	6,209	7,010	7,696	8,341
Capital work in progress	242	176	446	446	446
Investment property	7,594	7,364	7,083	6,800	6,520
Intangible assets	89	98	291	308	322
Investments	6,721	5,295	5,295	5,295	5,295
Cash & bank balance	10,006	13,988	16,448	34,411	60,425
Loans & advances & other assets	3,786	6,679	6,679	6,679	6,679
Net current assets	44,285	46,018	44,597	34,551	43,919
Assets classified as held for sale	29,754	30,410	-	-	-
Total Assets	**99,182**	**1,02,249**	**71,400**	**61,775**	**71,521**
Capital employed	88,848	93,357	66,525	56,900	66,646
Invested capital	88,848	93,357	66,525	56,900	66,646
Net debt	39,959	42,377	7,343	(21,936)	(49,348)
FCFF	(15,795)	5,348	(462)	29,333	27,955

Particular	FY25	FY26	FY27E	FY28E	FY29E
Cash flows from operations	(12,934)	7,472	1,662	31,025	29,142
Cash flows from investing	(4,380)	(5,877)	33,289	(1,187)	(1,172)
Cash flows from financing	22,184	2,986	(32,854)	(11,875)	(1,956)

Source: ABREL, Choice Institutional Equities

Historical Price Chart: ABREL



Date	Rating	Target Price
April 30, 2026	BUY	1,880
May 07, 2026	BUY	1,880
Aug, 14, 2026	BUY	1,880

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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