

Prestige Estates Projects

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,605 **TP: 2000 (+25%)** **Buy**

Launch momentum drives solid operating and financial outcomes

Operational performance

- **Presales:** 1QFY26 presales grew 300% YoY/74% QoQ to INR121.3b (in line with our est.), aided by stellar launches in NCR, Bengaluru, and Chennai.
- **Geographical contribution:** In FY25, 59% of total sales were contributed by NCR, followed by 21% from Bengaluru, 12% from Mumbai, 5% from Hyderabad, and 3% from other markets.
- **Launches:** During the quarter, PEPL launched four residential projects, totaling 14.94msf (GDV INR136b), featuring a mix of plotted developments and integrated townships that cater to diverse homebuyer segments.
 - Mulberry and Oakwood (Indirapuram) in NCR – 9.64msf
 - Gardenia Estates (Plotted) in Bengaluru – 1.06msf
 - Pallavaram Gardens in Chennai – 4.24msf
- **Business development:** The company acquired 102 acres of land with a GDV of INR204b in 1QFY26 across Hyderabad, Bengaluru, Chennai, and Mumbai.
- **Completions:** PEPL has completed five residential projects spanning 5.45msf, marking its first-ever project completions in Mumbai and strengthening its footprint in key urban centers. Additionally, the company has completed and handed over the Prestige Turf Tower in Mahalaxmi, Mumbai, comprising a total developable area of 0.64msf. This tower serves as the rehabilitation component for the marquee development, The Prestige, Mumbai.
- Post 1QFY26, PEPL has an ongoing inventory of INR207b across Hyderabad, Bengaluru, and Mumbai.
- **A total of 4,718 units** were sold during 1QFY26, representing ~80% of units sold during FY25.
- **Office:** Total leased area in 1Q was 1.21msf. Occupancy remained robust at 93.7%. Exit rentals for 1QFY26 amounted to INR5.2b and guided in FY26 stands at INR8.2b.
- **Retail:** Gross turnover across malls stood at INR5.9b. Occupancy remained strong at 98.9%. Exit rentals for the period stood at INR2.2b.
- Upcoming launches worth GDV of INR299b are planned for the rest of FY26.
- For under-construction and upcoming office projects, pending capex is INR107b, while retail projects have pending capex of INR43b.
- Collections rose 57% YoY to INR42.3b (8% above our estimate) for 1QFY26.
- In 1QFY26, net debt was INR68b, with a net debt-to-equity ratio of 0.42x (vs. INR67b with a net debt/equity ratio of 0.42x as of Mar'25). The average borrowing cost stands at 10.14%.
- **P&L:** 1Q revenue grew 24% YoY/51% QoQ to INR23.1b (in line). EBITDA came in at INR8.9b, up 12% YoY/65% QoQ (60% above our estimate), with an EBITDA margin of 39%. The margin expansion was aided by the recognition of high-margin projects – Siesta and Jasdan Classic in Mumbai. Adjusted PAT of INR2.9b was up 26% YoY, with a margin of 13% (50% above estimates).

Bloomberg	PEPL IN
Equity Shares (m)	431
M.Cap.(INRb)/(USDb)	691.1 / 7.9
52-Week Range (INR)	1972 / 1048
1, 6, 12 Rel. Per (%)	3/13/-4
12M Avg Val (INR M)	1695

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)	12.7	21.1	24.2
EPS Gr. (%)	-8.8	77.2	99.3
BV/Sh. (INR)	384.7	404.2	426.8

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)	126.0	76.1	66.3
P/BV (x)	4.2	4.0	3.8
EV/EBITDA (x)	30.2	26.7	25.7
Div Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	60.9	60.9	65.5
DII	19.6	19.2	14.4
FII	16.7	17.1	16.8
Others	2.8	2.7	3.3

Key highlights from the management commentary

- Prestige launched ~15msf with GDV of INR136b in 1QFY26 across NCR, Bengaluru, and Chennai.
- FY26 presales guidance is INR270b, with 45% achieved so far; INR299b GDV launches lined up for the rest of the year.
- Bengaluru, MMR, and NCR will see six plotted launches in 2Q-3Q; INR100-150b of additional projects ready if needed.
- INR500b worth of new projects are under planning and will be added to the pipeline in the coming quarters.
- 1QFY26 saw acquisition of seven JDA projects (102 acres, GDV INR204b) across four cities; INR5b land spend pending.
- Revenue recognition lagged completions; FY26 residential revenue guided at INR80-100b with EBITDA margin of 30-35%.

Valuation and view

- 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 INR2,000, indicating a 25% upside potential.

Quarterly performance

Quarterly performance											(INR m)	
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1Q	
Net Sales	18,621	23,044	16,545	15,284	23,073	28,062	28,215	34,963	73,494	1,14,313	23,510	-2
YoY Change (%)	10.8	3.0	-7.9	-29.4	23.9	21.8	70.5	128.8	-6.7	55.5	26.3	
Total Expenditure	10,658	16,731	10,644	9,873	14,135	21,378	21,494	30,077	47,906	87,084	17,910	
EBITDA	7,963	6,313	5,901	5,411	8,938	6,684	6,721	4,886	25,588	27,229	5,600	60
Margins (%)	42.8	27.4	35.7	35.4	38.7	23.8	23.8	14.0	34.8	23.8	23.8	1,491.8
Depreciation	1,905	2,004	2,047	2,167	2,162	2,334	2,347	2,666	8,123	9,509	1,956	
Interest	3,461	3,565	3,451	2,861	3,839	2,602	2,616	1,543	13,338	10,600	2,180	
Other Income	1,624	1,194	434	609	1,614	1,543	1,552	1,578	3,861	6,287	1,293	
PBT before EO expense	4,221	1,938	837	992	4,551	3,291	3,309	2,256	7,988	13,407	2,757	65
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	4,221	1,938	837	992	4,551	3,291	3,309	2,256	7,988	13,407	2,757	65
Tax	1,023	-519	445	440	1,271	572	575	960	1,389	3,378	479	
Rate (%)	24.2	-26.8	53.2	44.4	27.9	17.4	17.4	42.6	17.4	25.2	17.4	
Minority Interest & Profit/Loss of Asso. Cos.	872	535	215	302	355	385	387	441	1,924	1,569	323	
Reported PAT	2,326	1,922	177	250	2,925	2,334	2,346	854	4,675	8,460	1,955	
Adj PAT	2,326	1,922	177	250	2,925	2,334	2,346	854	4,675	8,460	1,955	50
YoY Change (%)	-12.9	3.6	-84.8	-82.1	25.8	21.4	1,225.7	241.7	-34.0	81.0	-15.9	
Margins (%)	12.5	8.3	1.1	1.6	12.7	8.3	8.3	2.4	6.4	7.4	8.3	

Key metrics

Sale Volume (msf)	2.9	3.0	2.2	4.5	9.6	4.1	3.7	6.1	12.6	23.5	10	-7
Sale Value (INR b)	30.3	40.2	30.1	69.6	121.3	52.5	46.4	42.1	170.2	262.3	118	3
Collections - PEPL share (INR b)	27	26	31	30	42.3	37.1	44.5	40.7	113.2	164.6	39	8
Realization (INR/sft)	10,593	13,409	13,513	15,495	12,698	12,698	12,698	6,870	13,532	11,175	11,505	10