

Blip in launches, demand trends strong

Oberoi Realty (OBER IN) reported Q3FY26 presales of INR 8.4bn (estimate: INR 10bn) that saw quarterly run-rate sustaining for most micro markets. Residential collections at INR 9.7bn were 17% above presales. Profitability metrics continue to ride high, with residential EBITDA margin at 55% (9MFY26: 53%). Also, improving trends in profitability and operational parameters were evident in both the rental portfolio and the hospitality segment. Guidance for launches suggests a QoQ build-up of presales in Q4FY26 / Q1FY27. Also, the developer is looking to close three large business developments in the near-term, thus, lending support to NAV. Overall, OBER remains a play on superior profitability and growth, aided by a diversified, high-margin pipeline. The upcoming tower launch at Borivali is a key monitorable and catalyst for the stock.

Key positives: 1) sustained momentum at 360 West – three units were sold, 2) pick-up in Thane projects – Jardin presales up 64% QoQ, accounting for ~45% of project sales in 9MFY26, 3) full OC for the Mulund tower (Eternia) aiding project sales in the micro market sustaining (at >INR 2bn/quarter, 9MFY26 presales at Mulund stands at >INR 6bn), 4) pricing at SkyCity was INR 55k/sf (up ~10% QoQ) likely implies strong demand at +INR 50k/sf for the upcoming tower launch, 5) addition of a new micro market to the residential pipeline – INR 18-20bn GDV at Nepean Sea Road, 6) improving occupancies in commercial assets – Commerz 2 achieved full occupancy (+4ppt QoQ) and Commerz 3 occupancy was 90% (up 3ppt QoQ).

Key negatives: procedural led delays in launches planned for Q4FY26 – Gurugram and Peddar Road projects may spill over to Q1FY27.

Reiterate Buy with a TP of INR 2,500: We view OBER as a low risk compounder, given: 1) its prudent underwriting through cycles – land cost at <5% of GDV, 2) deep micro market presence – 25% / 15% / 10% volume market share at Goregaon / Borivali / Mulund micro markets, respectively, in FY21-25, and 3) convergence to a multi-regional play with its entry into Gurugram. The stock is trading at an attractive 15% discount to March 2026E NAV. **Key downside risks** include delays in project launches and regulatory setbacks.

Quarterly financials – Break-down

(INR mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	QoQ (%)	YoY (%)
Total pre-sales	14,425	19,183	8,533	16,387	12,991	8,364	(35.6)	(56.4)
O/w 360 West	6,626	1,517	5,332	2,137	4,455	2,698	(39.5)	77.8
Pre-sales (ex- 360 West)	7,799	17,665	3,201	14,250	8,536	5,666	(33.6)	(67.9)
Units sold in 360 West	6	2	3	1	4	3		
Total collections	12,112	13,950	7,653	9,971	13,528	9,748	(27.9)	(30.1)
O/w 360 West	6,496	5,620	2,513	832	4,179	2,792		
Other projects	5,616	8,329	5,140	9,139	9,349	6,956	(25.6)	(16.5)
Occupancy in rental assets								
Commerz 1	84.0	96.0	96.0	96.0	96.0	96.0	0.0	0.0
Commerz 2	93.0	97.0	96.0	96.0	96.0	100.0	4.0	3.0
Commerz 3	65.0	77.0	81.0	83.0	87.0	90.0	3.0	13.0
Oberoi Mall	98.0	99.0	99.0	99.0	99.0	99.0	0.0	0.0
Sky City Mall	-	-	-	50.0	53.0	56.0		
Segment-wise EBITDA margin (%)	61.7	60.7	61.6	57.3	60.2	61.0	0.7	0.3
Residential	58.1	56.6	54.3	45.0	55.5	54.6	(0.9)	(2.0)
Rental	92.3	91.6	90.2	92.3	92.9	93.4	0.6	1.9
Hospitality	36.1	42.5	45.4	37.8	39.2	42.6	3.4	0.1
Net debt	2,353	824	2,231	999	(2,578)	(2,175)	(15.6)	(364.1)
Net debt / Equity (%)	1.6	0.5	1.4	0.6	(1.5)	(1.3)	0.3	(1.8)

Source: Company, Elara Securities Research

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