Sobha | BUY

Bengaluru drives healthy bookings

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Despite the lack of large launches, the pre-sales traction from 1Q has largely sustained as Sobha reported quarterly bookings of INR 19bn (+61% YoY; 6% beat on JMFe). Company witnessed improved momentum at Sobha Town Park which resulted in 70% contribution of Bengaluru in overall sales. In 1HFY26, bookings stood at INR 39.8bn (+30% YoY) and given the strong pipeline across NCR, Mumbai and Pune, it remains on track to deliver 30-35% growth in FY26.

- **Steady quarter:** Sobha announced healthy pre-sales of INR 19bn (+61% YoY; -8% QoQ). Volume for the quarter came in at 1.4msf, up 49% YoY and realization increased 8% YoY to INR 13,648 psf. Bengaluru contributed 70% of overall pre-sales aided by improved momentum at Town Park project. Company recorded INR 3.1bn sales from NCR (16% of total) largely from projects like Aranya and Aurum.

- **Strong pipeline:** Sobha launched 1 boutique luxury villa project in 2QFY26 at North Bengaluru and delivered 1.18msf across 591 homes. In 1HFY26, bookings stood at INR 39.8bn (+30% YoY) and given the strong pipeline across NCR, Mumbai and Pune, it remains on track to deliver 30-35% growth in FY26.

Exhibit 1. Sobha pre-quarter update

	2QFY26	2QFY25	1QFY26	YoY	QoQ	1HFY26	1HFY25	YoY
Sale Value (INR bn)	19.0	11.8	20.8	61%	-8%	39.8	30.5	30%
Sobha share (INR bn)	15.4	9.8	17.2	56%	-10%	32.5	23.4	39%
volume (msf)	1.4	0.9	1.4	49%	-3%	2.8	2.1	35%
realization (psf)	13648	12674	14395	8%	-5%	14028	14498	-3%

Source: Company, JM Financial

APPENDIX I

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SELL	Expected return < -10% over the next twelve months.

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Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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