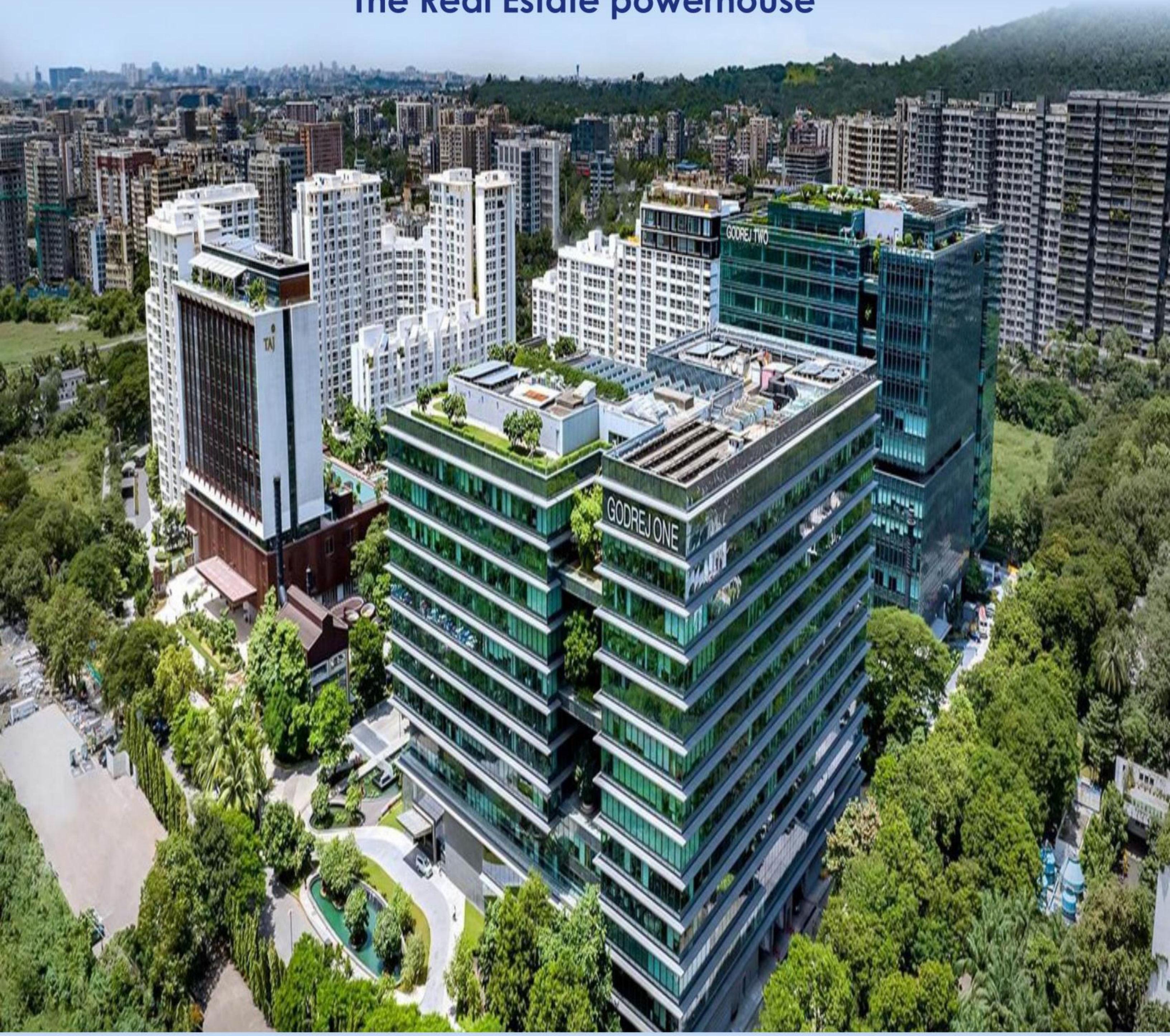
2 April 2025

INDIA | REAL ESTATE | COVERAGE INITIATION

JM FINANCIAL

Godrej Properties

The Real Estate powerhouse



Highest growth among major developers	Growth led by NCR and MMR (key markets in India)	Collections to outpace pre-sales growth

JM Financial Institutional Securities Limited

Godrej Properties

The Real Estate powerhouse

Godrej Properties (GPL) has delivered a CAGR of 34% in bookings over the 5-year period FY19-24 driven by significant share of sales from new launches. GPL was able to ramp up its launches from 12msf in FY19 to 20msf in FY24. The company's market share doubled from 2% to 4% (on a pan-India basis) as it was one of the biggest beneficiaries of industry tailwinds. It has already built a pipeline of c.100 msf and with the recent fund-raise of INR 60bn, the management intends to double down in existing markets with new project additions, which will enable it to deliver consistent growth over the medium term. We expect bookings/collections to grow at a 19%/22% CAGR over FY25-27E to INR 400bn/INR 253bn respectively. Operating cash flows (before interest and taxes) should increase to INR 66bn by FY27E from INR 43bn in FY24. We initiate with a BUY rating and a Mar'26 TP of INR 2,500.

- **Pre-sales and cash flows:** GPL reported 84% YoY growth in pre-sales to INR 225bn in FY24 and has guided for INR 270bn of pre-sales in FY25E. In 9MFY25, it has already achieved bookings of INR 193bn (71% of annual guidance) and is well placed to achieve the pre-sales guidance, given the strong response to its new launches in NCR and Hyderabad. We expect collections (including JV share) to grow at a 22% CAGR over FY25-27E to INR 253bn and operating cash flows (before interest and taxes) should increase to INR 66bn by FY27E from INR 43bn in FY24.
- **Initiate coverage with a BUY rating and TP of INR 2,500:** GPL continues to do exceedingly well in pre-sales and business development. Post the fund-raise, it is well placed to further penetrate its existing markets while continuing opportunistic acquisition beyond the top 5 cities. We initiate coverage on the company with a BUY rating and TP of INR 2,500 implying 17% upside. Key risk: (1) Prolonged slowdown in residential absorption, (2) Undertaking margin dilutive BD given the increased competition and (3) Inability to deliver improvement in profitability as anticipated.

On track to retain the largest developer tag for the 2nd consecutive year:

In FY24, GPL became the largest real estate developer in India with pre-sales of INR 225bn. Its performance was mainly led by new launches, which increased by 65% YoY to INR 230bn in FY24, of which 70% were absorbed during the year and contributed 70% to the total pre-sales. GPL remains on track to retain the tag as it is one of the few developers whose 9MFY25 performance has been in line with its guidance. The company has delivered a 34% CAGR in bookings over the 5-year period FY19-24; during this period, GPL's market share doubled from 2% to 4% (on a pan-India basis) as it was one of the biggest beneficiaries of industry tailwinds.

NCR and MMR key drivers:

Among the 7 key cities in India, NCR has been at the forefront as it witnessed ~2x jump in units sold and, a 24% CAGR in pricing over FY21-24. GPL was among the very few developers that identified this trend and accelerated supply in NCR, resulting in over 4x jump in pre-sales during this period. In FY24, it also achieved a milestone of crossing INR 100bn pre-sales from NCR, which is higher than the company's overall pre-sales in FY22. The company had similar success in MMR also, where timely launch of projects in micro-markets like Thane, Wadala and Kandivali propelled their sales from INR 15bn in FY21 to INR 65bn in FY24.

Targeting sustainable growth over the medium term:

Since FY21, GPL has accelerated its business development activity to further strengthen its position in existing markets and gain significant market share. Over FY21-9MFY25, the company has added 80msf of new projects, of which 65msf was added in the last 10 quarters. The company has recently raised INR 60bn, as the management is of the view that low housing penetration in India coupled with continuous improvement in affordability (by way of healthy wage growth and potential peaking of interest rates) offer significant opportunities to double down in its existing core markets and thus will enable it to deliver consistent growth over the medium term.

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	2,500
Upside/(Downside)	17.0%

Key Data – GPL IN	
Current Market Price	INR2,147
Market cap (bn)	INR646.6/US$7.6
Free Float	42%
Shares in issue (mn)	301.2
Diluted share (mn)	301.0
3-mon avg daily val (mn)	INR2,127.9/US$24.9
52-week range	3,403/1,901
Sensex/Nifty	76,617/23,332
INR/US$	85.5

Price Performance			
%	1M	6M	12M
Absolute	10.9	-34.0	-14.1
Relative*	5.8	-28.9	-17.1

*To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Total Revenue	22,523	30,356	46,264	59,754	62,569
Revenue Growth (%)	23.4	34.8	52.4	29.2	4.7
EBITDA	2,476	-1,297	7,193	10,233	12,423
EBITDA Margin (%)	11.0	-4.3	15.5	17.1	19.9
Adjusted Net Profit	6,206	7,471	17,502	19,605	20,402
Diluted EPS (INR)	22.3	26.9	58.1	65.1	67.8
Diluted EPS Growth (%)	76.2	20.4	116.3	12.0	4.1
ROIC (%)	1.7	-0.9	2.9	3.5	3.7
ROE (%)	6.9	7.6	12.4	10.3	9.7
P/E (x)	96.2	79.9	36.9	33.0	31.7
P/B (x)	6.4	5.8	3.6	3.2	2.9
EV/EBITDA (x)	279.6	NM	92.2	66.4	55.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 02/Apr/2025

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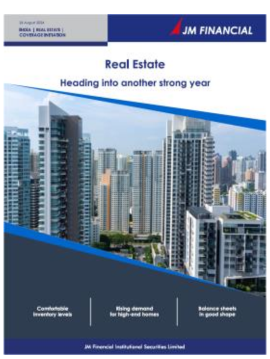
Table of Contents	Page No.

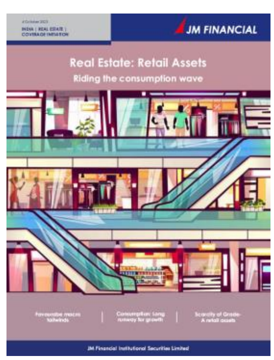
Godrej Properties Limited (GPL) is India's leading residential real estate developer by booking value for FY24. The company specializes in residential project development and operates across 12 cities in India, with a strong presence in Tier-1 cities such as the Mumbai Metropolitan Region (MMR), Pune, Bengaluru, and the National Capital Region (NCR). GPL has delivered a 34% CAGR in bookings over the 5-year period FY19-24 driven by ramp-up in new launches. With a strong project pipeline of over 100msf and a robust liquidity position post the recent fund raise, it is well placed to continue gaining market share in its core markets. We expect bookings to grow at 18% CAGR over FY25-27E to INR 400bn. We initiate coverage on the company with a BUY rating and TP of INR 2,500 implying 17% upside.

RECENT REPORTS



Real Estate: Heading into another strong year

Juniper Hotels



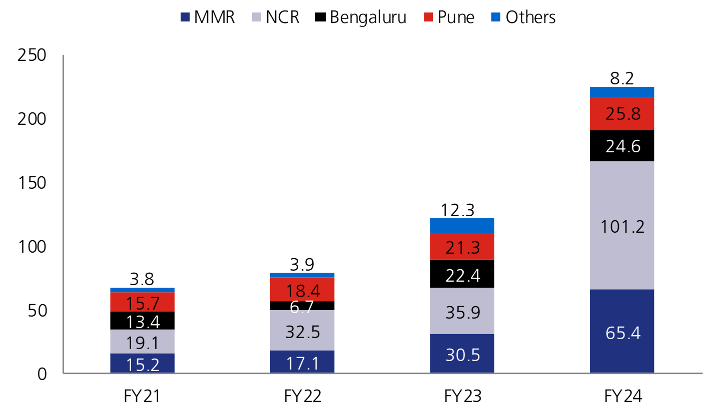
India Real Estate: Riding the consumption wave

Office REITs: Awaiting daybreak

India Hotels Sector: Hitting top gear

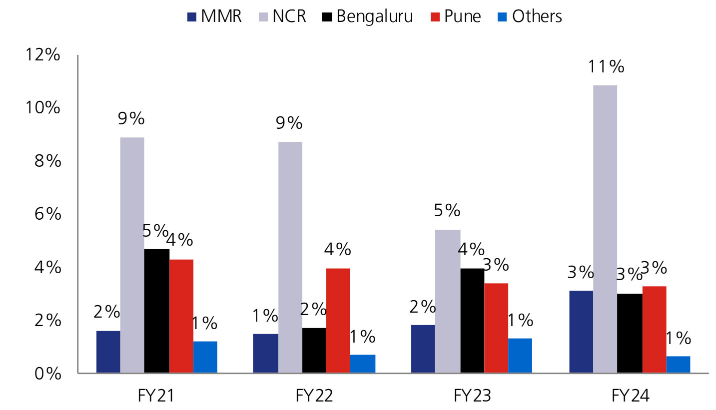
Key Charts

Exhibit 1. GPL's bookings in NCR increased by ~5x to INR 100bn…



Source: Company, JM Financial

Exhibit 2. …and its market share stood at 11%

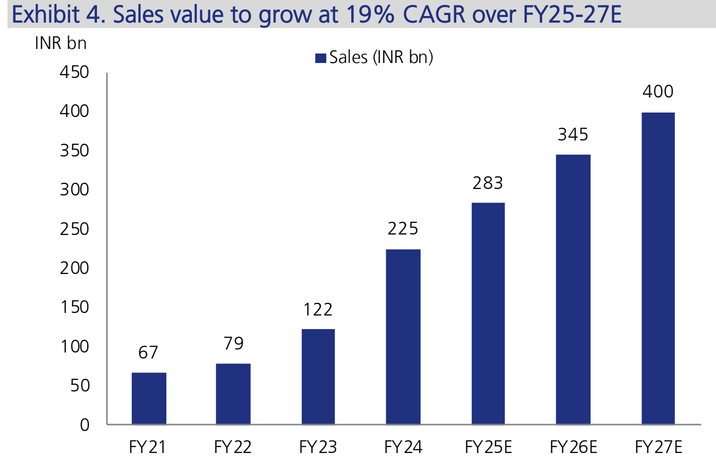


Source: Company, JM Financial

Exhibit 3. GPL has a strong project pipeline of 107msf

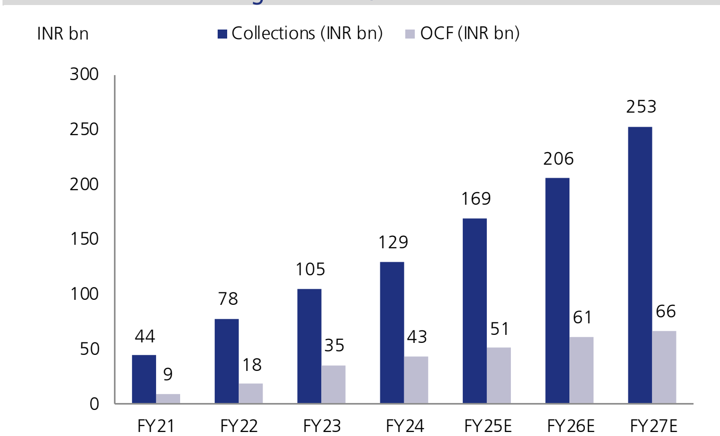
Source: Company, JM Financial

Exhibit 4. Sales value to grow at 19% CAGR over FY25-27E



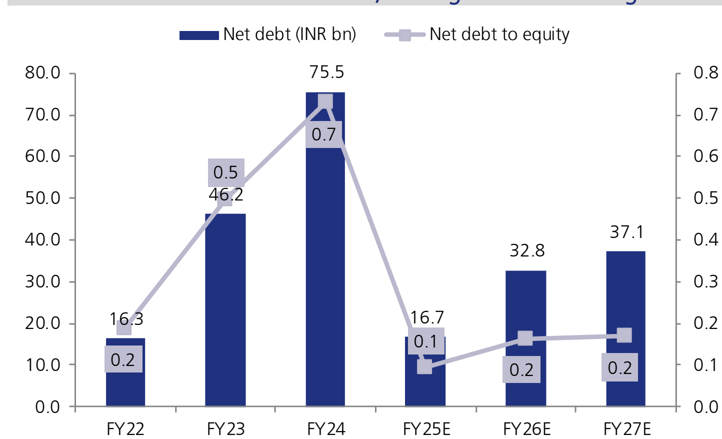
Source: Company, JM Financial

Exhibit 5. Collections to grow at 22% CAGR



Source: Company, JM Financial

Exhibit 6. Post the recent fund raise, leverage remains manageable



Source: Company, JM Financial

Investment Thesis:

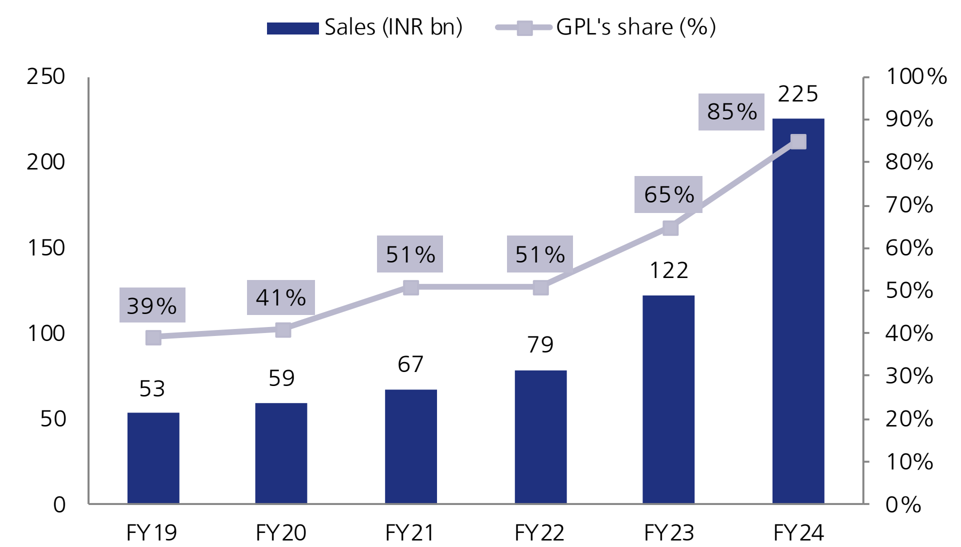
Favourable macro-economic factors along with lowest inventory levels to drive growth:

After witnessing a rapid growth phase over CY19-23 wherein pre-sales grew at a 26% CAGR, the industry took a breather as bookings declined by 7% YoY in CY24 due to lingering challenges in approvals and sharp price hikes in certain pockets. However, inventory remains at comfortable levels. Since CY17, the total absorption in units has consistently exceeded the number of launches. This trend has been observed prominently in major markets such as Bengaluru, NCR, MMR, and Chennai. Therefore, the industry continues to witness a sharp decline in unsold inventory levels to less than 15 months. We believe that macro-economic factors such as low mortgage penetration, improving affordability (evident from declining EMI to Income ratio) along with lowest-ever inventory levels will continue to drive demand. Therefore, post a year of stabilisation, we expect the sector to resume its growth path (albeit at a steady pace given the high base).

Sharp scale-up in bookings with higher share accruing to GPL

In FY24, GPL became the largest real estate developer in India with cumulative pre-sales (new bookings) of INR 225bn. The performance was mainly led by new launches, which increased by 65% YoY to INR 230bn in FY24, of which 70% was absorbed during the year and contributed 70% to total pre-sales. Moreover, the company has delivered 34% CAGR in bookings over the 5-year period FY19-24; GPL’s market share doubled from 2% to 4% during this period as it was one of the biggest beneficiaries of industry tailwinds. The scale-up in bookings was primarily driven by significant new project additions, which enabled it to ramp up its launches from 12msf in FY19 to 20msf in FY24. Sales volume increased at 18% CAGR to 20msf, while realisation grew by a CAGR of 13%, driven by a higher contribution from high-realisation markets of NCR and MMR and an enhanced positioning in the premium segment. The growth in bookings was also complimented by the rising economic share of GPL in the projects leading to better profitability which is reflected in the 28% imputed EBIT margin reported in FY24. Given that most of the upcoming launches are fully owned by the company, the share accruing to GPL will sustain above 85%, thus providing strong visibility on profitability

Exhibit 7. Rising share of GPL in pre-sales



Source: Company, JM Financial

Business Development momentum to continue

Since its last fund-raise in FY21, GPL has accelerated its business development (BD) activity to further strengthen its position in existing markets and gain significant market share. Over FY21-9MFY25, it has added 80msf of new projects, of which 65msf was added in the last 10 quarters. The company has recently raised INR 60bn as the management is of the view that low housing penetration in India coupled with continuous improvement in affordability (by way of healthy wage growth and potential peaking of high interest rate cycle) offers significant opportunities to double down in existing markets through new project additions and, thus, enable it to deliver consistent growth over the medium term

Strong pipeline across core markets; expect 19% CAGR in bookings over FY25-27E

Despite ~70msf of launches over the last 4.5 years, GPL still has a cumulative project pipeline of ~110msf which is expected to be launched in the next 3-5 years. Most of the land parcels are located in the four key markets, namely, MMR, Pune, Bengaluru and NCR. The company has recently identified Hyderabad as its 5th focus market and has acquired two projects across 5.2msf. Given that the bulk of the new projects acquired since FY22 will be launched over the next 2 years, the company is expected to report a 19% CAGR in pre-sales over FY25E-27E to INR 400bn. A few of the key projects that will drive growth in the near term include Ashok Vihar & Sector 53 (NCR), Bandra & Worli (MMR), Devanahalli (Bengaluru) and a large project at Rajendra Nagar in Hyderabad

Exhibit 8. GPL has project pipeline of 107msf

Source: Company, JM Financial

Exhibit 9. Expect GPL to generate cash surplus post BD investments

Cash flow (Presentation)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Operating cash flow						
Total operating cash inflow	77,710	104,840	129,400	169,002	205,530	252,568
Operating cash outflow						
Construction and related outflow	(32,200)	(35,750)	(40,920)	(66,683)	(82,443)	(114,155)
Other project related outflow	(27,880)	(33,720)	(45,130)	(51,782)	(62,163)	(72,064)
Total operating cash outflow	**(60,080)**	**(69,470)**	**(86,050)**	**(118,466)**	**(144,605)**	**(186,218)**
Net operating cash flow	**17,630**	**35,370**	**43,350**	**50,536**	**60,925**	**66,349**
Financial cash flow						
Inflow / (Expense) on QIP	-	-	-	59,960	-	-
Interest and corporate taxes	(6,860)	(6,970)	(9,430)	(10,943)	(11,632)	(11,926)
Net financial cash flow	**(6,860)**	**(6,970)**	**(9,430)**	**49,017**	**(11,632)**	**(11,926)**
Capital cash flow						
Land & approval related outflow	(17,350)	(47,270)	(53,650)	(40,000)	(42,400)	(44,944)
Advance to JV partners and others	(2,140)	(1,350)	(1,800)			
Net capital cash flow	**(19,490)**	**(48,620)**	**(55,450)**	**(40,000)**	**(42,400)**	**(44,944)**
Adjustment for JV projects	(2,590)	(12,330)	(2,920)			
Total net GPL cash flow	**(11,310)**	**(32,550)**	**(24,450)**	**59,554**	**6,893**	**9,479**
Other Ind AS Adjustments	840	700	(1,030)	-	-	-
(Increase)/Decrease in Net Debt under Ind AS	**(10,470)**	**(31,850)**	**(25,480)**	**59,554**	**6,893**	**9,479**

Source: Company, JM Financial

Valuation: Initiate with a BUY and TP of INR 2,500

GPL continues to do exceedingly well in pre-sales and business development. Post the fund-raise, it is well placed to gain market share in geographies where it already has a presence, while growing through opportunistic acquisitions beyond the top 5 cities. We value GPL on 5-year DCF basis, using a WACC of 12.5%, to arrive at a Mar'26 NAV-based target price of INR 2,500. We derive our NAV from the development value of ongoing and forthcoming residential projects.

Exhibit 10. We initiate on GPL with TP of INR 2,500

SOTP Summary	INR mn	Per share	Comments
Sale Model - Owned/JV/JDA	702,375	2,332	Cash flows from residential business discounted; terminal at exit multiple of 10.0x
Value of Commercial	26,636	88	Cap rate of 8%
Vikhroli DM (G&B)	25,132	83	DCF assuming ~30m sqft to be developed over 40 years
Other DM	31,070	103	Valued at 10x EBITDA from GPL's DM share
Enterprise Value	**785,213**	**2,607**	
Less: Net Debt (FY26ii)	32,770	109	as on FY26
Net Asset Value	**752,443**	**2,500**	

Source: Company, JM Financial

Assumptions

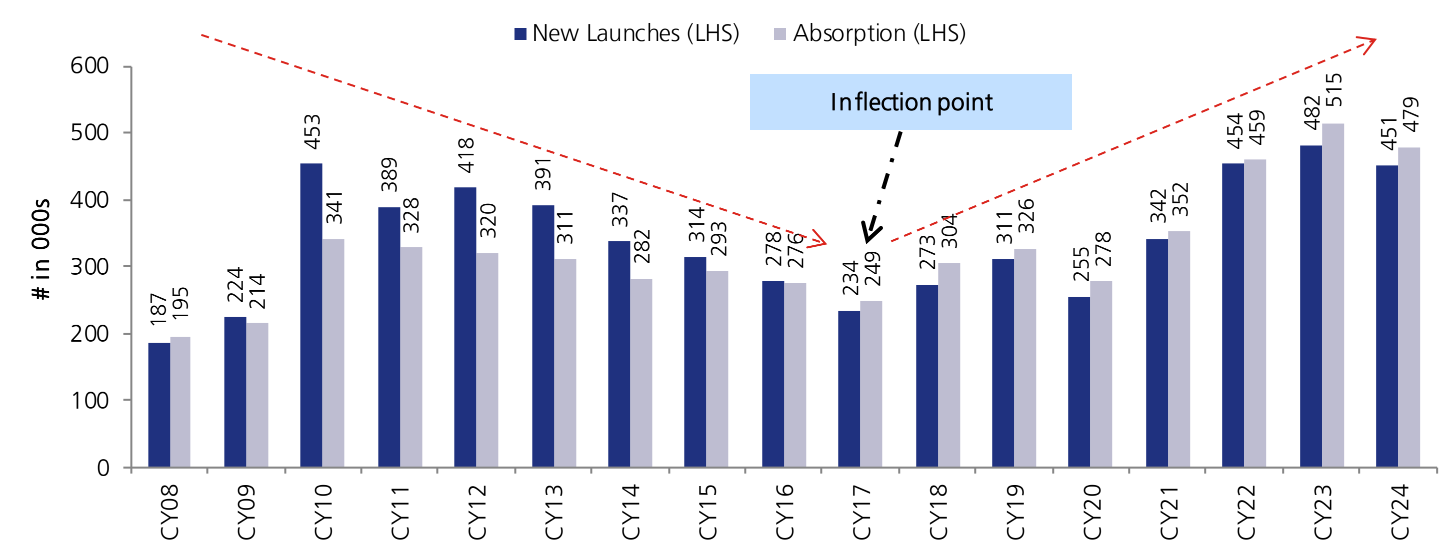
- We have assumed a 5% annual escalation in construction cost and realization psf
- Larger projects of over 2msf are expected to be launched in phases with a delivery timeline of 5 years. Likewise, smaller projects of 1-2msf will be completed in 3-4 years.
- The current pipeline is sufficient to deliver growth till FY27E beyond which we have assumed 75msf of new additions
- The commercial assets are valued at 8% cap rate on GPL's share EBITDA for FY26E
- The DM portfolio (ex-Vikhroli) is valued at 10x EBITDA generated from GPL share revenue

Industry and Business Analysis

Absorption falls in CY24 due to lack of supply and price inflation

- The residential real estate market grew at a rapid pace, as pre-sales grew at a 26% CAGR over CY19-23 touching a new high of c. 660msf across 478k units led by strong demand recovery post the pandemic. New launches (supply) lagged demand as it grew at a 24% CAGR during same period.

Exhibit 11. Absorption grew at 26% CAGR over FY19-23 and declined by 7% YoY in CY24

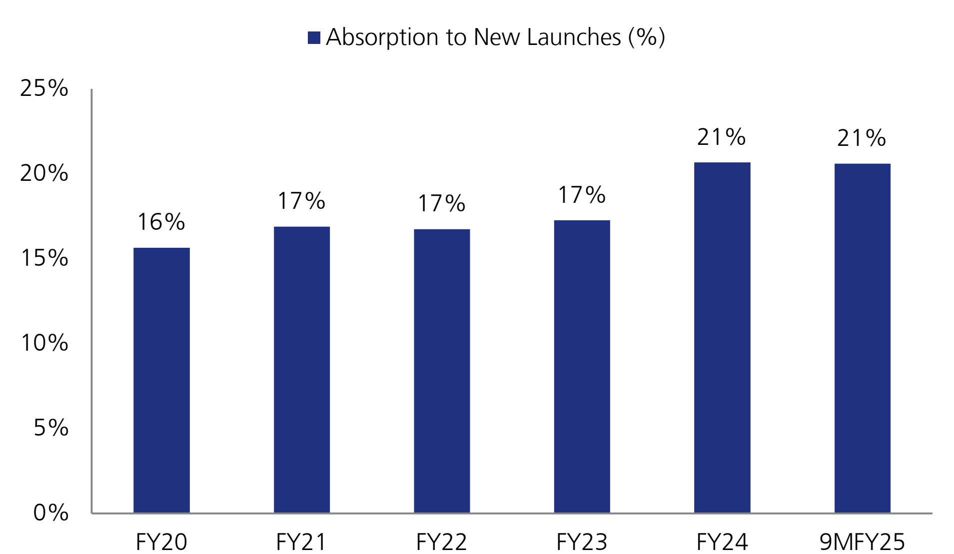


Source: Propequity, JM Financial

Absorption at new launches have increased over the last 5 years

- Changing buying preference post the pandemic, coupled with good quality supply and healthy pricing outlook has led to healthy demand at the launch stage itself. While the absorption of new projects has increased steadily from 16% to 21% for the overall industry, many listed developers have witnessed multiple instances of a sell-out response to a new launch due to superior product offering and growing preference for branded developers.

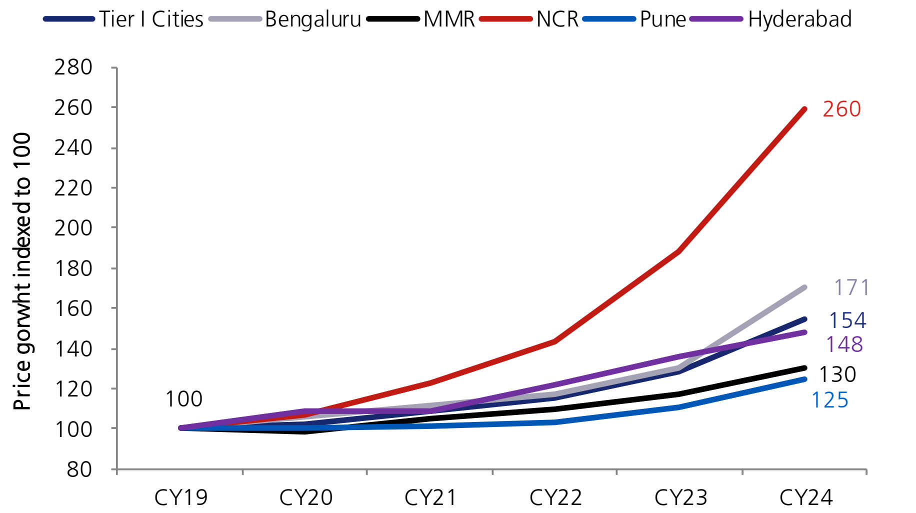
Exhibit 12. Absorption at new launches has moved up since FY20



Source: Propequity, JM Financial

- While the residential cycle remains on an upward trajectory, the moderation in new launches (down 6% YoY in CY24) due to lingering approval challenges in certain key markets and sharp growth in pricing in few markets led to 7% decline in pre-sales in CY24.

Exhibit 13. Prices have sharply increased in cities like NCR, Bengaluru and Hyderabad

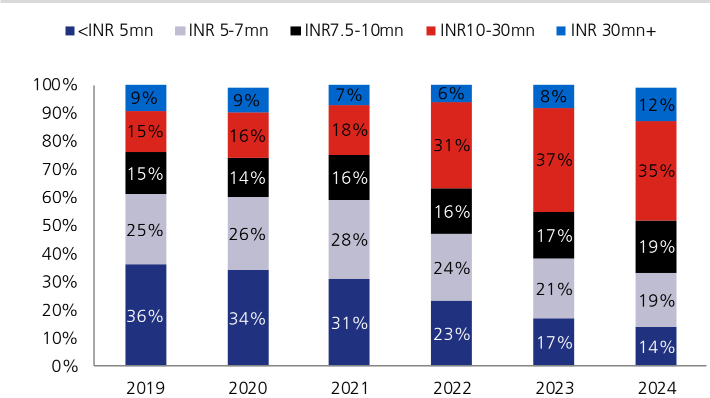


Source: Propequity, JM Financial

Bigger, better and branded homes: premiumization at play

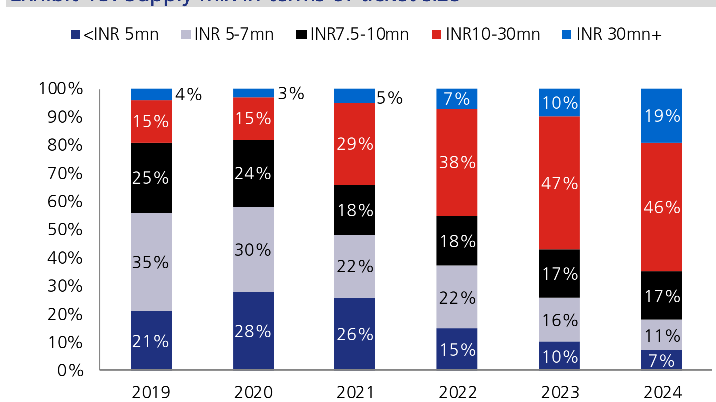
- The sector also witnessed a significant increase in sale of premium housing (priced INR10mn+) whose share increased from 24% to 47% over CY19-24. Robust demand coupled with product premiumization resulted in a 13% CAGR in average realization led by markets such as NCR, Hyderabad and Bengaluru.
- The decline in the lower-end segment sales can be attributed to rising costs of construction/approvals, elevated home loan rates (rates increased 250bps between May'22 to Feb'23) and negative impact on salaries and job cuts during the COVID period (which impacted the lower and middle class in a greater way compared to the more affluent sections of society).
- In Tier I cities, the demand for luxury properties has grown significantly since FY22. This growth is being fuelled by an expanding middle class with greater purchasing power, who are seeking aspirational living spaces that offer luxury, innovation, and convenience. The post-Covid era has significantly reshaped urban living preferences, with safety now being a top priority for many homebuyers. Consequently, there is a growing preference for spacious, well-equipped residences that cater to remote work needs and offer enhanced security features.

Exhibit 14. Sales mix in terms of ticket size



Source: Company (QIP PD), JM Financial

Exhibit 15. Supply mix in terms of ticket size

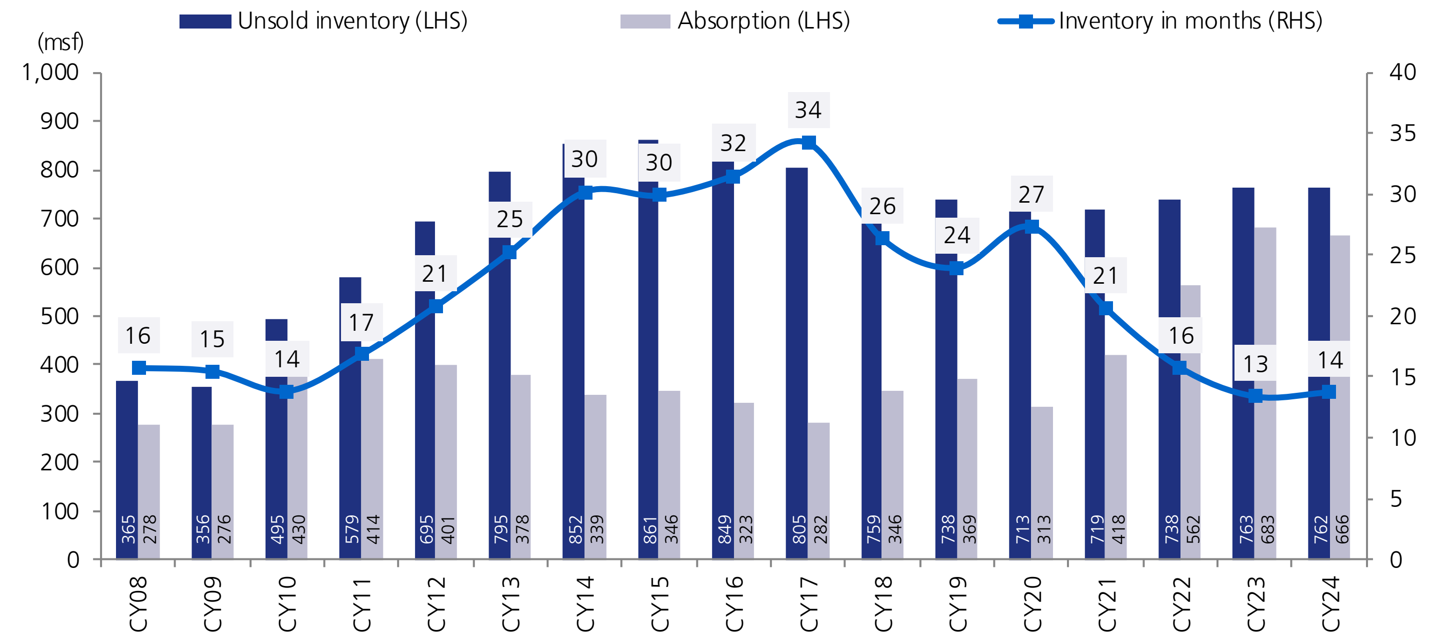


Source: Company (QIP PD), JM Financial

Inventory levels comfortable, lower than historical peaks during CY16-17

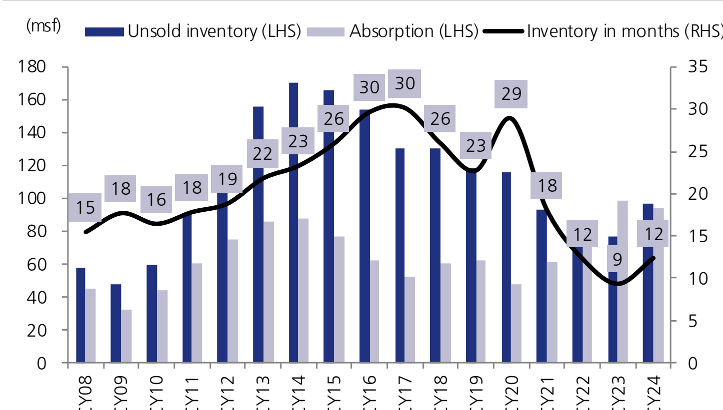
- New launches have not resulted in an increase in inventory levels. Since CY17, the total absorption in units has consistently exceeded the number of launches. This trend is observed prominently in major markets such as Bengaluru, NCR, MMR, and Chennai. However, Hyderabad's market has experienced more launches compared to absorption due to the entry of new participants and relatively easier development regulations. Interestingly, sales have largely tracked launches and industry continues to witness a sharp decline in unsold inventory to less than 15 months.

Exhibit 16. Inventory overhang across Tier-I cities less than 15 months on a pan-India level



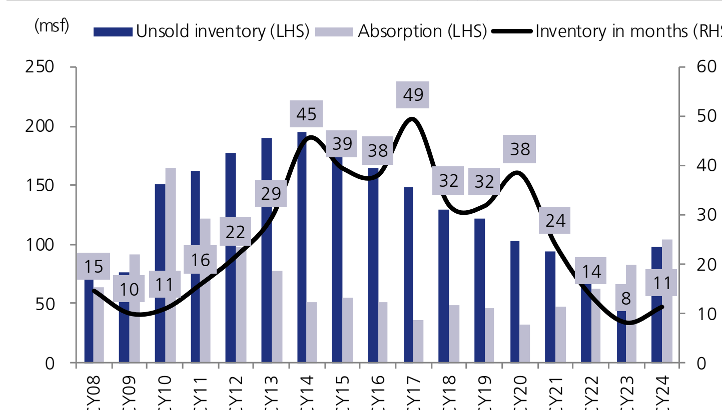
Source: Propequity, JM Financial

Exhibit 17. Bengaluru: Sales and inventory overhang



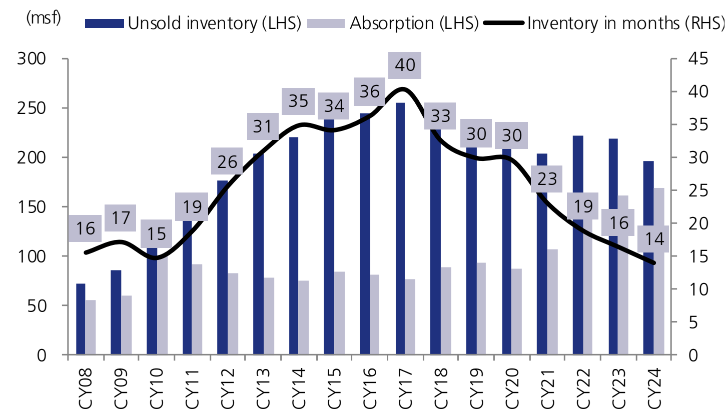
Source: Propequity, JM Financial

Exhibit 18. NCR: Sales and inventory overhang



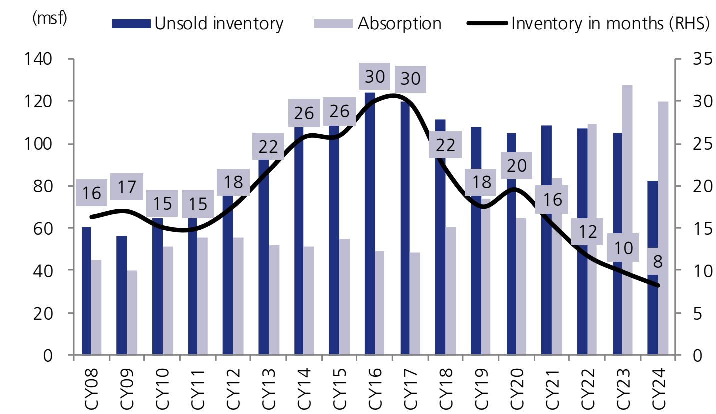
Source: Propequity , JM Financial

Exhibit 19. MMR: Sales and inventory overhang



Source: Propequity, JM Financial

Exhibit 20. Pune: Sales and inventory overhang

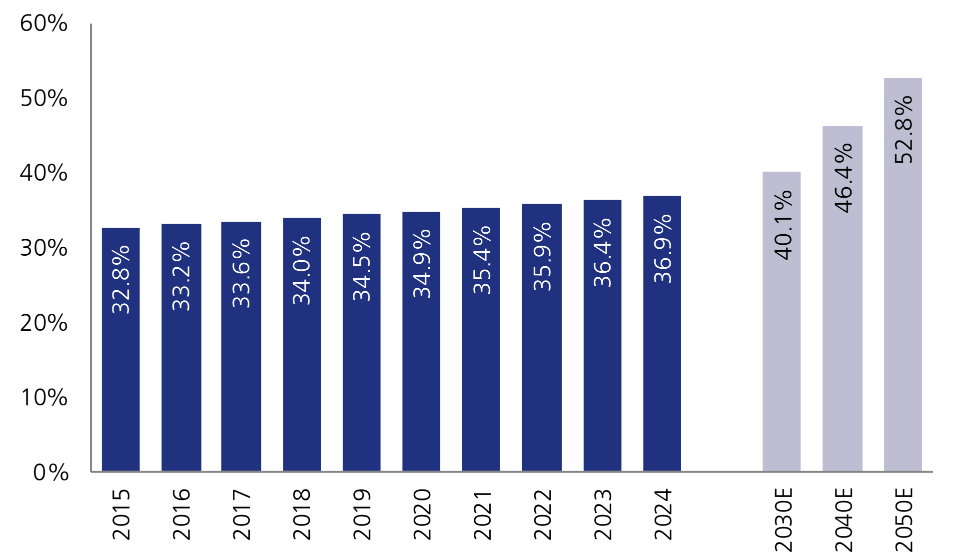


Source: Propequity, JM Financial

Long term structural drivers in place

- We believe that macro-economic factors such as low mortgage penetration, improving affordability (evident from declining EMI to Income ratio) along with lowest ever inventory levels will continue to drive demand. Therefore, post a year of stabilization; we expect the sector to resume its growth path (albeit at a steady pace given the high base).

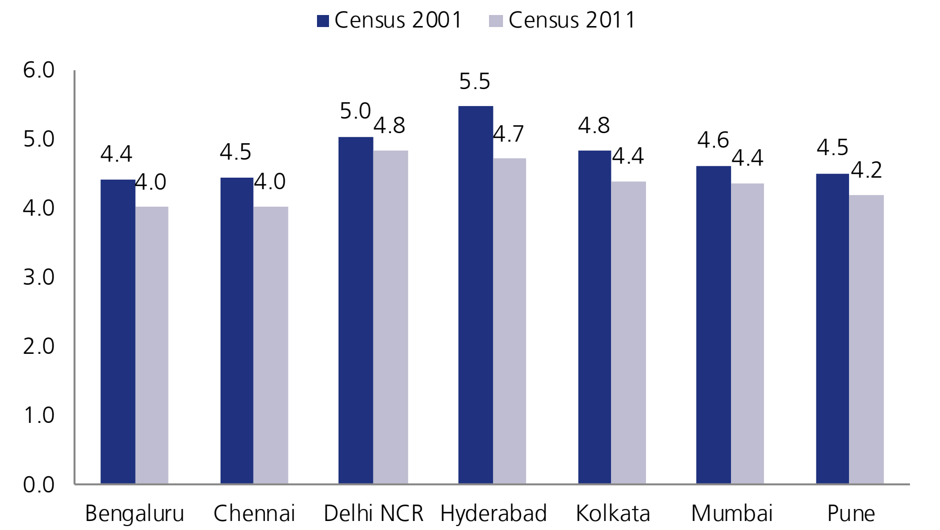
Exhibit 21. Share of urban population to reach 40% by end of the decade



Source: Company (QIP PD), JM Financial

- The average family size has been on a declining trend with the proliferation of nuclear households. This can be attributed to an increasing rate of higher education, increased migration to cities for better education and job opportunities and increasing urban economic pressure. The result is an increase in the demand and consumption of housing.

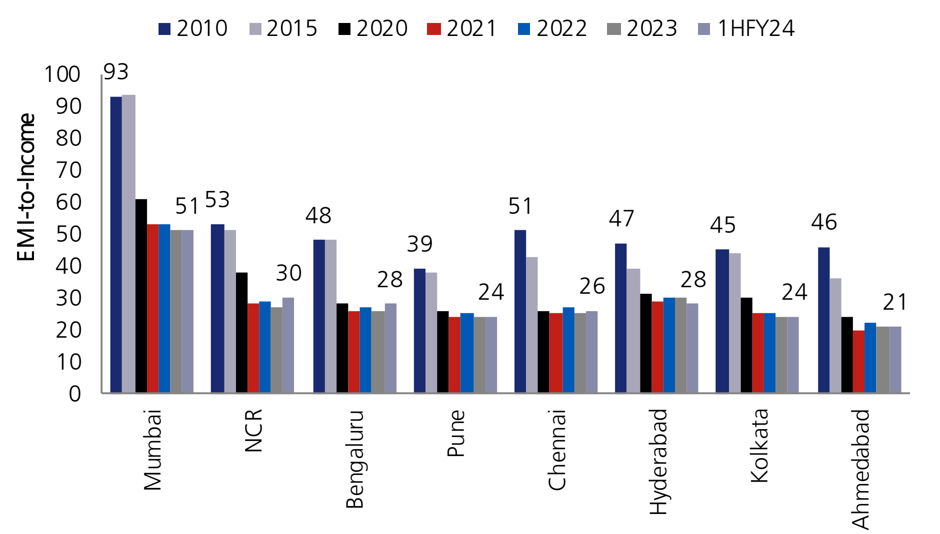
Exhibit 22. Declining household size driven by nuclearisation



Source: Company (QIP PD), JM Financial

- The Knight Frank Affordability Index, which tracks the EMI-to-income ratio for households, has been consistently improving since CY15. Except for MMR, the ratio is at sub-30 level for all major cities with Pune and Kolkata being the most affordable markets. The improvement in affordability across most cities is attributed to steady income growth and relatively stable interest rates over a longer period of time which has helped offset the impact of rising prices.

Exhibit 23. EMI to Income ratio for key cities on a downward trend



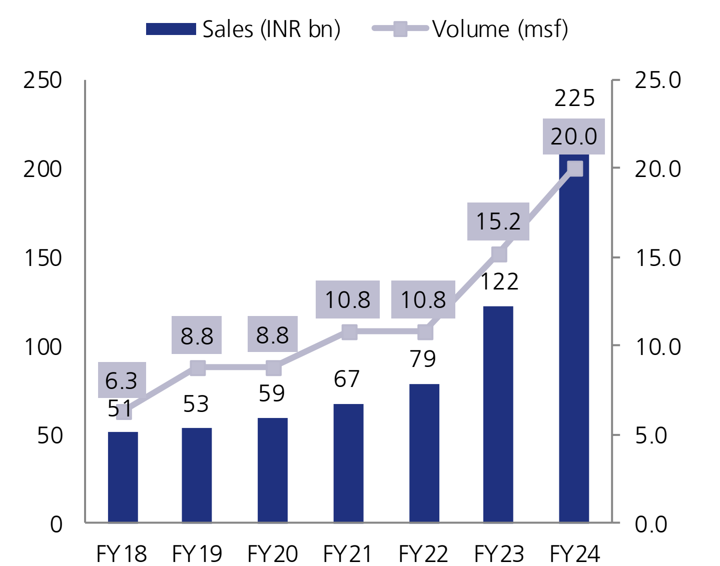
Source: Knight Frank, JM Financial

Investment Highlights

Sharp scale-up in pre-sales aided by robust project pipeline

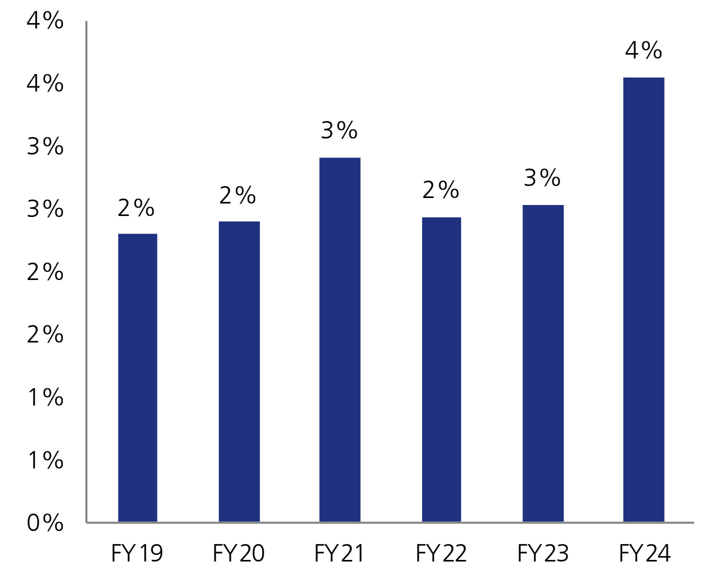
- In FY24, GPL became the largest real estate developer in India with cumulative pre-sales (new bookings) of INR 225bn. The performance was mainly led by new launches, which increased by 65% YoY to INR 230bn in FY24, of which 70% were absorbed during the year and contributed 70% to total pre-sales.
- Moreover, the company has delivered a 34% CAGR in bookings over the 5-year period FY19-24; GPL's market share doubled from 2% to 4% (on a pan-India basis) during this period as it was one of the biggest beneficiaries of industry tailwinds.

Exhibit 24. Pre-sales grew at 34% CAGR since FY19



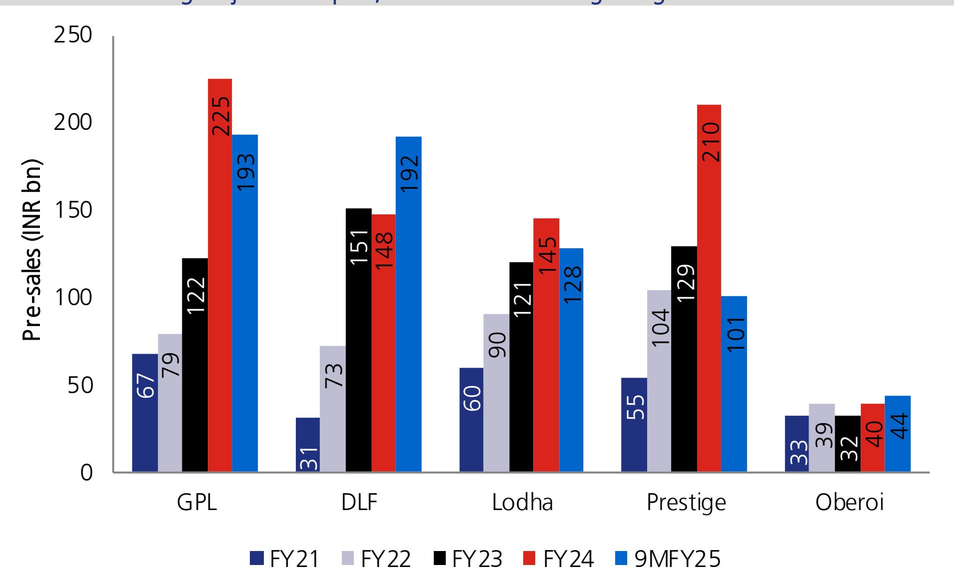
Source: Company, JM Financial

Exhibit 25. Pan-India market share doubled since FY19



Note: Calculated as a % of total sales value from top 7 cities (data from Propequity)
Source: Propequity, Company, JM Financial

Exhibit 26. Among major developers, GPL achieved the highest growth

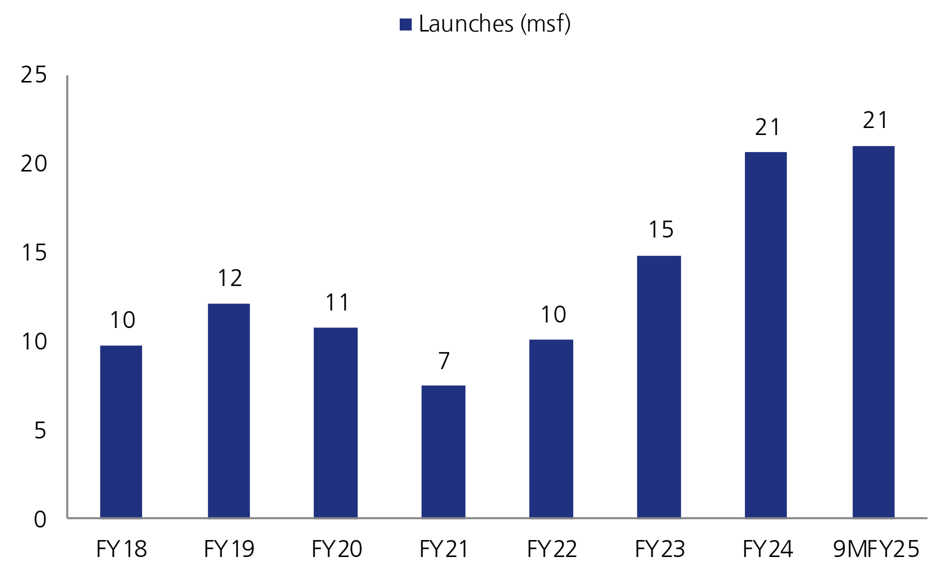


Source: Company, JM Financial

- The scale-up in bookings was primarily driven by significant new project additions, which enabled it to ramp up its launches from 12msf in FY19 to 20msf in FY24. Sales volume increased at an 18% CAGR to 20msf, while realisation grew by a CAGR of 13%, driven by a higher contribution from high-realisation markets of NCR and MMR and an enhanced positioning in the premium segment.

- The momentum has sustained in the current fiscal with the company reporting a 48% YoY growth in bookings to INR 192bn in 9MFY25, aided by 21msf of launches worth INR 236bn.

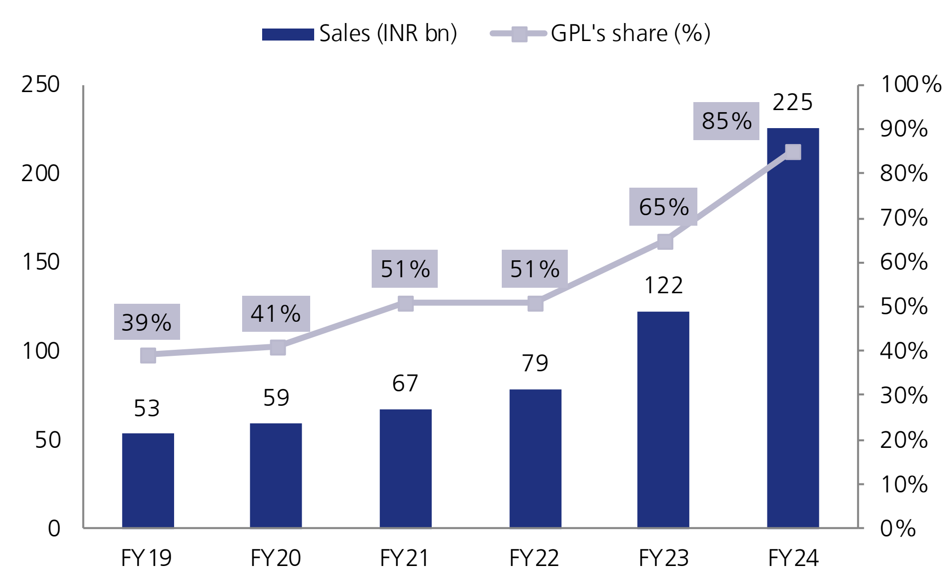
Exhibit 27. Since FY19, launches have significantly ramped up



Source: Company, JM Financial

- The growth in bookings was also complimented by the rising economic share of GPL in the projects leading to better profitability which is reflected in the 28% imputed EBIT margin reported in FY24. Given that most of the upcoming launches are fully owned by the company, the share accruing to GPL will sustain above 85%, thus providing strong visibility on profitability.

Exhibit 28. Rising share of GPL in pre-sales



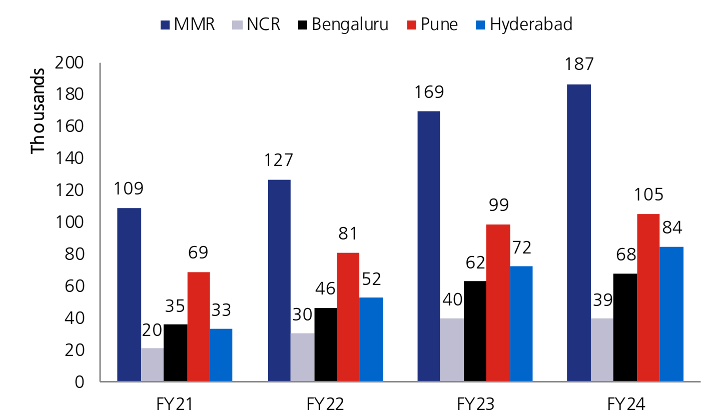
Source: Company, JM Financial

Prime beneficiary of rapid growth in NCR

- Among the 7 key cities/regions in India, NCR has been at the forefront; it witnessed ~2x jump in units sold and, a 24% CAGR in pricing over FY21-24. GPL was among the very few developers who identified this trend and accelerated supply in NCR, resulting in over 4x jump in pre-sales during this period. In FY24, it also achieved a milestone of crossing INR 100bn pre-sales in NCR, which is higher than the company's overall sales in FY22.

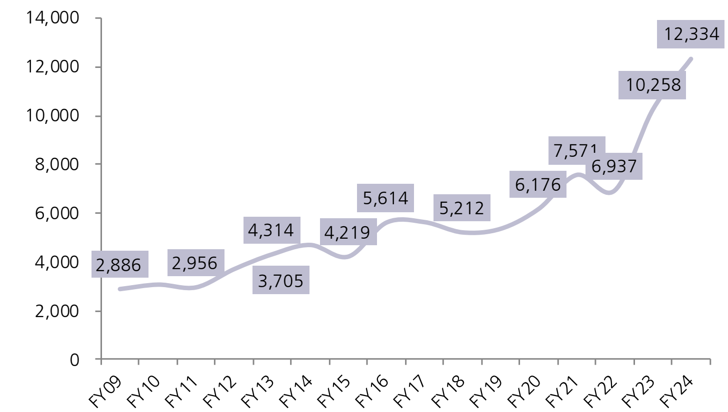
- The company had similar success in MMR, where the timely launch of projects in micro-markets such as Thane, Wadala and Kandivali propelled sales from INR 15bn in FY21 to INR 65bn in FY24. Robust performance in NCR and MMR has been the key drivers for the sharp scale-up in GPL's bookings since FY21

Exhibit 29. NCR witnessed 2x growth in units sold since FY21…



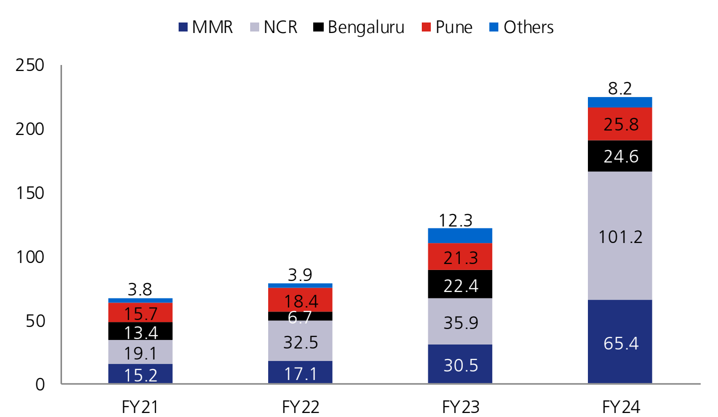
Source: Propequity, JM Financial

Exhibit 30. …pricing too doubled during same period



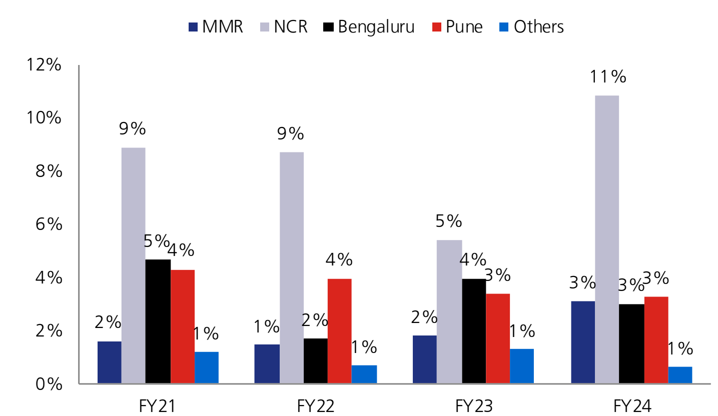
Source: Propequity, JM Financial

Exhibit 31. GPL's bookings in NCR increased by 5x to INR 100bn…



Source: Company, JM Financial

Exhibit 32. …and its market share stood at 11%



Source: Company, JM Financial

With a project pipeline of 107msf, scale-up expected to continue

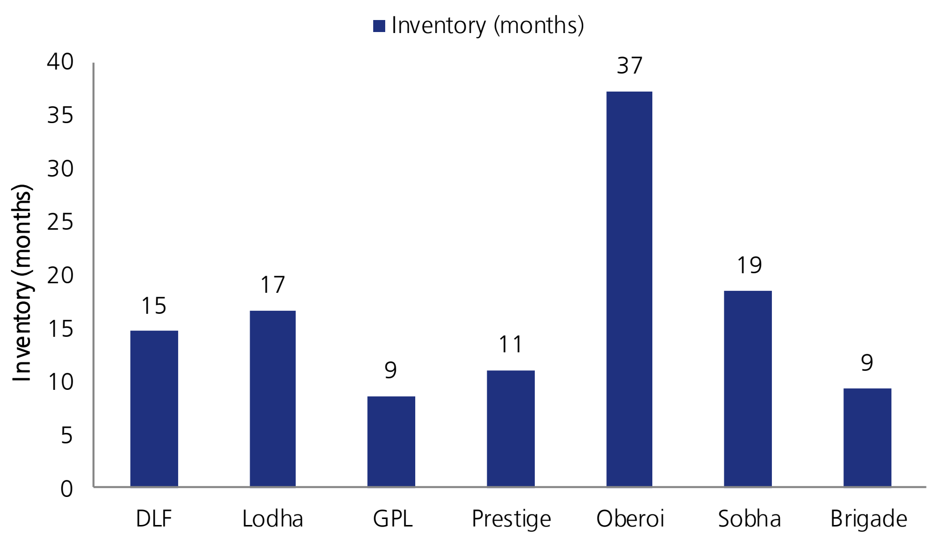
- Despite ~70msf of launches over the last 4.5 years, GPL still has a cumulative project pipeline of ~110msf, which is expected to be launched in the 3-4 years. Most of the land parcels are located in the four key markets, namely, MMR, Pune, Bengaluru and NCR.

- The company has recently identified Hyderabad as its 5th focus market and has acquired two projects across 5.2msf. It has made two opportunistic acquisitions in Kolkata too – one each in group housing and plotted segment.

Exhibit 33. GPL has project pipeline of 107msf

Source: Company, JM Financial

Exhibit 34. Among key developers, GPL has lowest level of inventory

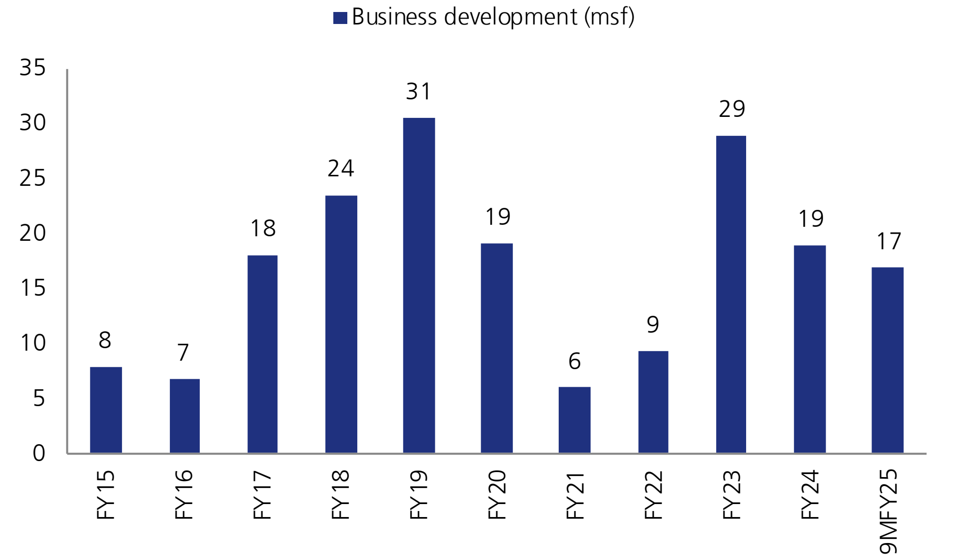


Source: Company, JM Financial

Momentum in new project additions to continue post the fund raise

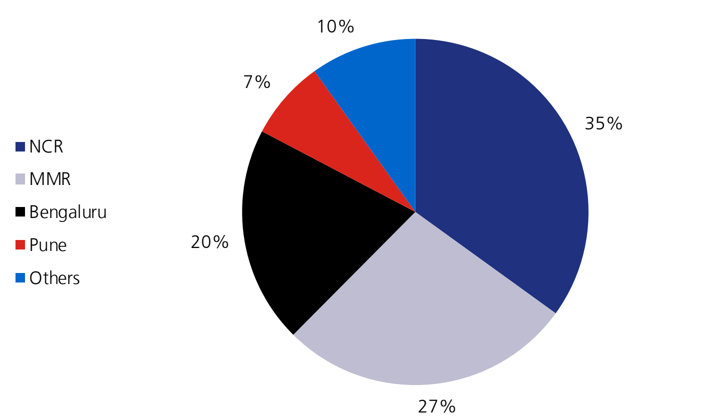
- Since its last fund-raise in FY21, GPL has accelerated its business development (BD) activity to further strengthen its position in existing markets and gain significant market share. Over FY21-9MFY25, it has added 80msf of new projects, of which 65msf was added in the last 10 quarters.

Exhibit 35. Has added 80msf since FY21



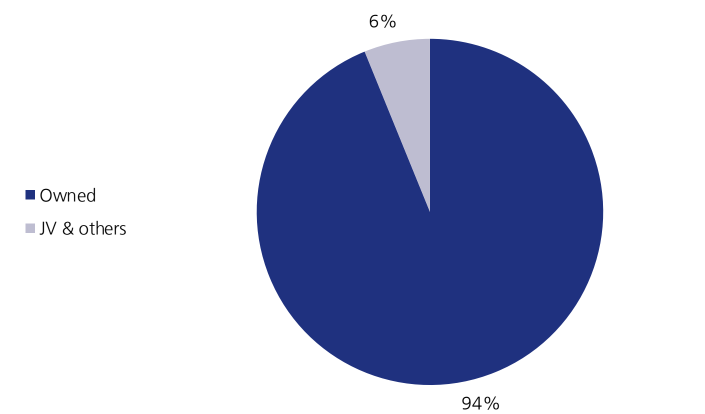
Source: Company, JM Financial

Exhibit 36. New additions were spread across all focussed markets…



Source: Company, JM Financial

Exhibit 37. …and almost all projects are fully owned by GPL

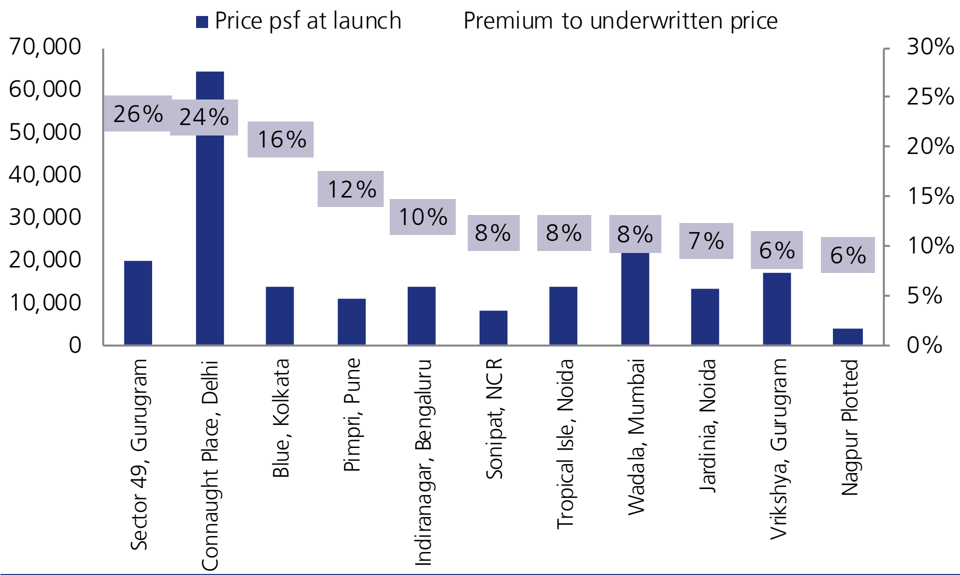


Source: Company, JM Financial

- The company has recently raised INR 60bn as the management is of the view that low housing penetration in India coupled with continuous improvement in affordability (by way of healthy wage growth and potential peaking of high interest rate cycle) offers significant opportunities to double down in existing markets through new project additions and, thus, enable it to deliver consistent growth over the medium term.

- The aggression in BD since FY21 was a well-timed one given that the company benefited from attractive land prices and healthy price growth witnessed in its core markets. The realisation at many of the recent launches was 5%-25% higher compared to the under-written price and this is also partly reflected in imputed EBIT margin of 27% reported by GPL in FY24 – a sharp improvement compared to its historical performance.

Exhibit 38. Many of the recent launches achieved 5-25% higher realisation compared to under-written price



Note: Underwritten price calculated from development potential and GDV disclosed at the time of land acquisition
Source: Company, JM Financial

- While the traction in BD is expected to continue given the strong estimated OCF run-rate of INR 45bn-60bn over the next 3 years and a debt headroom of c. INR 100bn (basis the 0.5x to 1x net D/E ceiling on the expanded capital base), the significant size of the latest fund-raise (c. 25% of book value) could dilute the return profile in the near term.

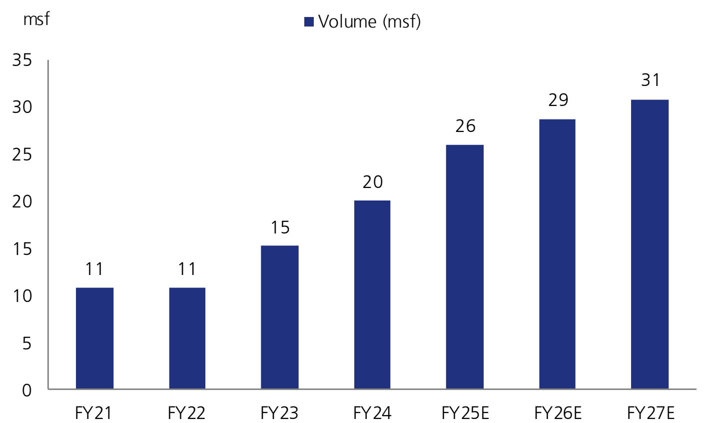
- Additionally, increased competition for new signings (given that all major developers have cumulatively raised INR 190bn in FY24) and elevated land prices across all major markets can negatively impact the margin profile of upcoming projects.

Pre-sales to grow at a 19% CAGR over FY25-27E

- GPL reported 84% YoY growth in pre-sales to INR 225bn in FY24 and has guided for INR 270bn of pre-sales in FY25E. In 9MFY25, the company has already achieved bookings of INR 192bn (71% of annual guidance) and is well placed to achieve its pre-sales guidance, given the strong response to its recent launches in Delhi-NCR and Hyderabad. New launches are expected to accelerate further since the company only has ~6-8 months of inventory in its on-going projects.

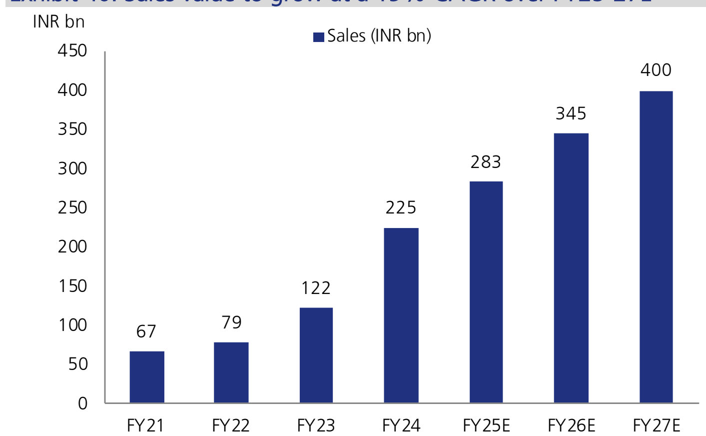
- Given that the bulk of the new projects acquired since FY22 will be launched over the next 2 years, the company is expected to report a 19% CAGR in pre-sales over FY25E-27E to INR 400bn. Few of the key projects that would drive growth in near term include Ashok Vihar & Sector 53 (NCR), Bandra & Worli (MMR), Devanahalli (Bengaluru) and a large project at Rajendra Nagar in Hyderabad.

Exhibit 39. Expect volume to grow to 31msf



Source: Company, JM Financial

Exhibit 40. Sales value to grow at a 19% CAGR over FY25-27E

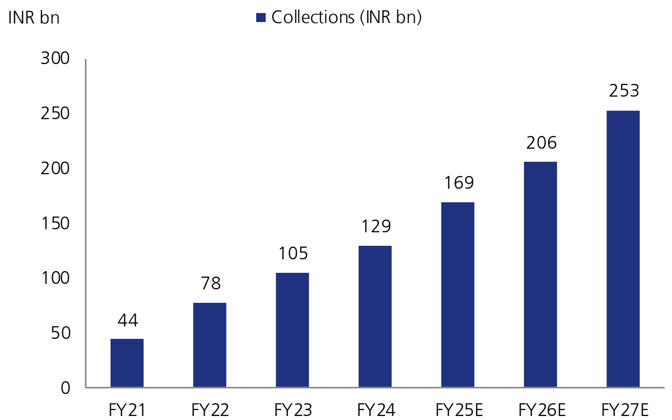


Source: Company, JM Financial

Cash flow to ramp up at a steady pace

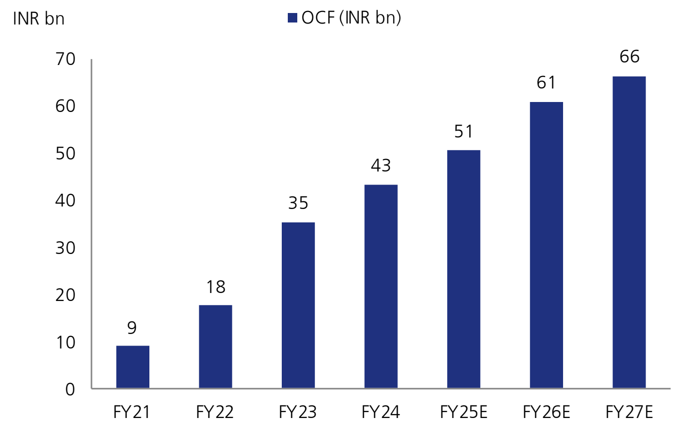
- The company's receivables from sold units along with unsold inventory in its previously launched projects stands at c. INR 500bn and, against that, the pending construction cost is estimated to be in the range of INR 225bn-250bn.
- GPL has ramped up construction activity across cities, which is visible in the sharp uptick in annual deliveries' run-rate from 5-6msf until FY22 to 12.5msf in FY24. It is targeting completions of 15msf in FY25E and has already delivered 12msf in 9MFY25.
- We expect collections (including JV share) to grow at a 22% CAGR over FY25-27E to INR 250bn, and despite the proportionate increase in construction cost and other overheads, we expect operating cash flows (before interest and taxes) to increase to INR 66bn by FY27E from INR 34bn in 9MFY25.

Exhibit 41. Collections to grow at 22% CAGR



Source: Company, JM Financial

Exhibit 42. OCF to increase to INR 66bn



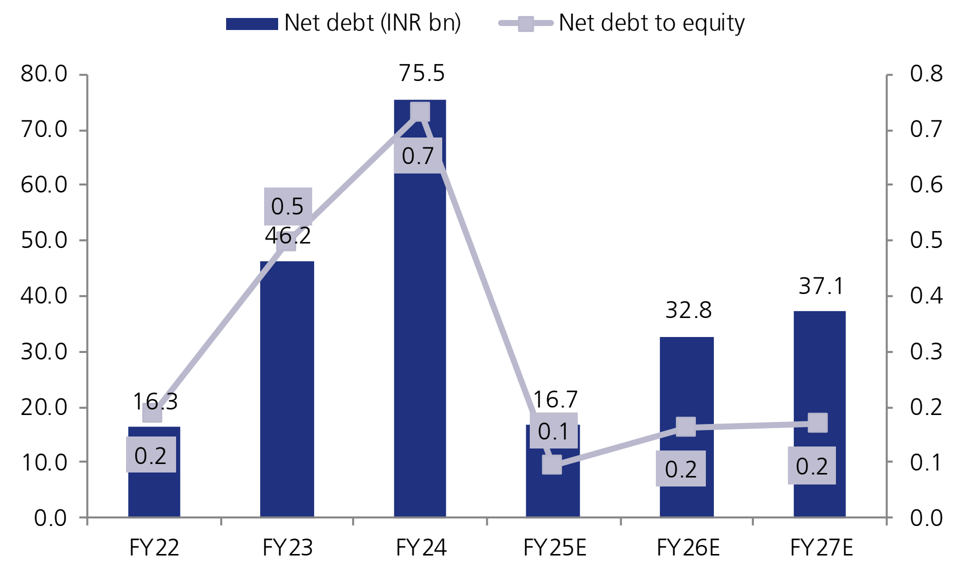
Source: Company, JM Financial

Exhibit 43. Expect GPL to generate cash surplus post BD investments

Cash flow (Presentation)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Operating cash flow						
Total operating cash inflow	77,710	104,840	129,400	169,002	205,530	252,568
Operating cash outflow						
Construction and related outflow	(32,200)	(35,750)	(40,920)	(66,683)	(82,443)	(114,155)
Other project related outflow	(27,880)	(33,720)	(45,130)	(51,782)	(62,163)	(72,064)
Total operating cash outflow	**(60,080)**	**(69,470)**	**(86,050)**	**(118,466)**	**(144,605)**	**(186,218)**
Net operating cash flow	**17,630**	**35,370**	**43,350**	**50,536**	**60,925**	**66,349**
Financial cash flow						
Inflow / (Expense) on QIP	-	-	-	59,960	-	-
Interest and corporate taxes	(6,860)	(6,970)	(9,430)	(10,943)	(11,632)	(11,926)
Net financial cash flow	**(6,860)**	**(6,970)**	**(9,430)**	**49,017**	**(11,632)**	**(11,926)**
Capital cash flow						
Land & approval related outflow	(17,350)	(47,270)	(53,650)	(40,000)	(42,400)	(44,944)
Advance to JV partners and others	(2,140)	(1,350)	(1,800)			
Net capital cash flow	**(19,490)**	**(48,620)**	**(55,450)**	**(40,000)**	**(42,400)**	**(44,944)**
Adjustment for JV projects	(2,590)	(12,330)	(2,920)			
Total net GPL cash flow	**(11,310)**	**(32,550)**	**(24,450)**	**59,554**	**6,893**	**9,479**
Other Ind AS Adjustments	840	700	(1,030)	-	-	-
(Increase)/Decrease in Net Debt under Ind AS	**(10,470)**	**(31,850)**	**(25,480)**	**59,554**	**6,893**	**9,479**

Source: Company, JM Financial

Exhibit 44. Post the QIP, net debt to remain at comfortable levels



Source: Company, JM Financial

Financials

- Driven by the scale-up in launches since FY19, we expect GPL to maintain the annual delivery run-rate of 10-15msf. Also, contrary to the historical trend, wherein most of the projects delivered had a JV/JDA structure, the share of fully owned projects should also gradually increase over the next 3-4 years.

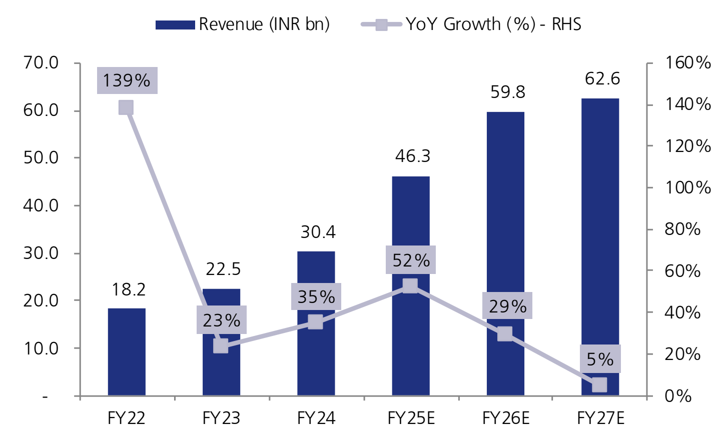
- Since FY21, the company's BD mix has been substantially skewed towards fully owned projects, which have a 25%+ OPM. As these projects are launched and completed over the medium term, profitability is expected to remain healthy. We expect GPL to report 16% CAGR in top line over FY25-27E and 14% CAGR at PAT level during the same period.

Exhibit 45. Financial snapshot

INR mn	FY23	FY24	FY25E	FY26E	FY27E	FY24-25E YoY
Net Sales	22,523	30,356	46,264	59,754	62,569	52%
Cost of Sales	12,419	18,080	25,127	34,881	34,773	39%
Gross Margin (%)	45%	40%	46%	42%	44%	525bps
Employee Expenses	2,184	3,313	3,479	3,653	3,835	5%
Other Expenses	5,443	10,260	10,465	10,988	11,537	2%
EBITDA	2,476	-1,297	7,193	10,233	12,423	-655%
EBITDA Margin (%)	11%	-4%	16%	17%	20%	1982bps
Depreciation	241	446	958	1,278	1,598	115%
Interest Costs	1,742	1,521	2,019	1,895	1,868	33%
Other Income	7,867	12,986	15,277	16,867	17,195	18%
Exceptional Item	0	0	0	0	0	NM
Share of profit in associates	-407	277	416	437	459	50%
PBT	7,953	10,000	19,909	24,364	26,610	99%
Tax	1,747	2,529	3,509	4,785	5,230	39%
PAT	6,206	7,471	16,400	19,579	21,380	120%

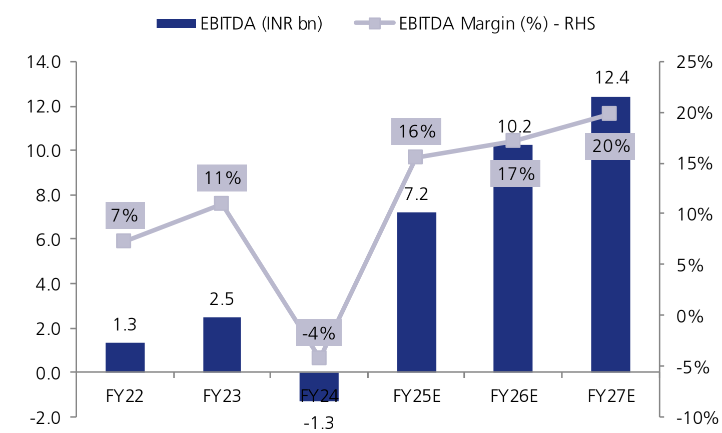
Source: Company, JM Financial

Exhibit 46. Revenue recognition to improve going forward…



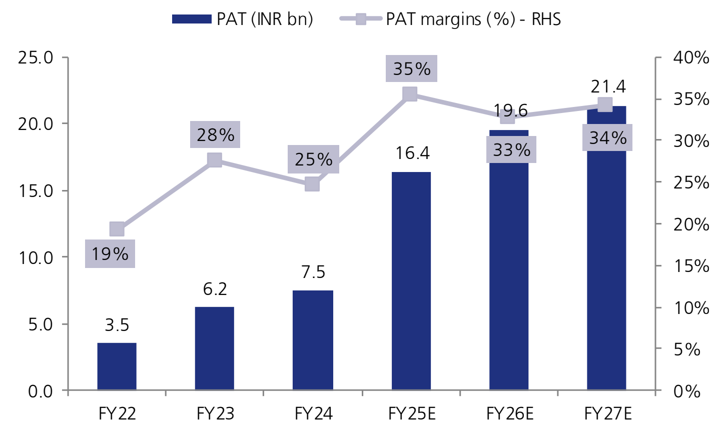
Source: Company, JM Financial

Exhibit 47. …and consistent EBITDA margin likely



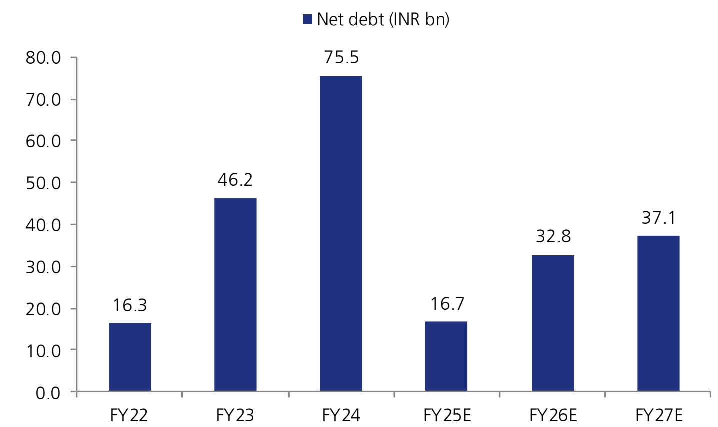
Source: Company, JM Financial

Exhibit 48. Reported PAT to grow significantly



Source: Company, JM Financial

Exhibit 49. Post the QIP, net debt to remain lower



Source: Company, JM Financial

Exhibit 50. Peers trade at 4x – 17x EV/FY26E EBITDA

Company	CMP	Mcap (USD bn)	TP	Rating	Upside (%)	EV/Pre-sales FY25E	EV/Pre-sales FY26E	EV/Pre-sales FY27E	EV/EBITDA FY25E	EV/EBITDA FY26E	EV/EBITDA FY27E	EV/OCF FY25E	EV/OCF FY26E	EV/OCF FY27E	Pre-sales CAGR FY25-27E
DLF	683	19.7	1,000	BUY	46%	5.2	5.1	4.7	13.0	12.6	11.8	23.4	12.5	6.8	5%
Macrotech	1,219	14.1	1,480	BUY	21%	5.2	4.3	3.5	18.6	15.3	12.5	17.6	13.2	10.7	22%
Godrej Properties	2,146	7.5	2,500	BUY	17%	2.5	2.0	1.7	11.3	9.2	7.9	12.4	10.3	8.2	19%
Oberoi Realty	1,620	6.8	1,885	HOLD	16%	6.4	5.8	4.4	18.4	16.6	12.6	12.7	17.0	12.7	21%
Sobha	1,233	1.5	1,615	BUY	31%	1.1	0.8	0.8	5.4	4.2	3.9	8.7	3.3	4.0	18%
Keystone Realtors	510	0.7	855	BUY	68%	1.8	1.4	1.1	9.2	7.1	5.3	5.3	10.6	7.4	32%

Source: Company, Bloomberg. JM Financial

Exhibit 51. Stock is currently trading at 4x P/B

Source: Bloomberg, JM Financial

Valuation

- GPL continues to do exceedingly well in pre-sales and business development. Post the fund-raise, it is well placed to gain market share in geographies where it already has a presence, while growing through opportunistic acquisitions beyond the top 5 cities. We value GPL on 5-year DCF basis, using a WACC of 12.5%, to arrive at a Mar'26 NAV-based target price of INR 2,500. We derive our NAV from the development value of ongoing and forthcoming residential projects.

Exhibit 52. We initiate on GPL with TP of INR 2,500

SOTP Summary	INR mn	Per share	Comments
Sale Model - Owned/JV/JDA	702,375	2,332	Cash flows from residential business discounted; terminal at exit multiple of 10.0x
Value of Commercial	26,636	88	Cap rate of 8%
Vikhroli DM (G&B)	25,132	83	DCF assuming ~30m sqft to be developed over 40 years
Other DM	31,070	103	Valued at 10x EBITDA from GPL's DM share
Enterprise Value	**785,213**	**2,607**	
Less: Net Debt (FY26ii)	32,770	109	as on FY26
Net Asset Value	**752,443**	**2,500**	

Source: Company, JM Financial

Key Risks:

- **Prolonged slowdown in residential absorption:** Moderation in bookings across top 7 cities could impact the growth prospects of the company.

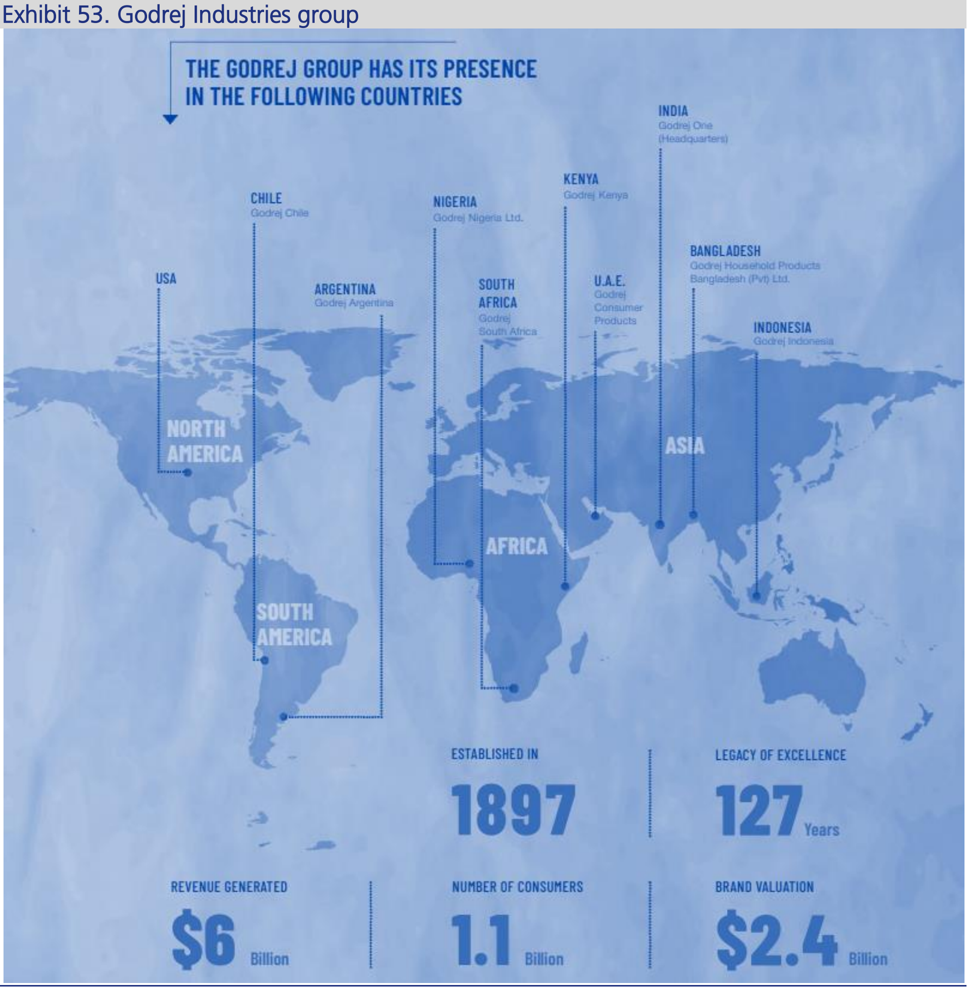
- **Undertaking margin dilutive BD given the increased competition:** Over the last 12 months, the listed developers have cumulatively raised over INR 190bn with the intent to expand the project pipeline through new acquisitions. Hence, the increased competition could result in a pricing war and have a negative impact on the margin profile of upcoming projects.

- **Inability to deliver improvement in profitability as anticipated:** The higher share of sales accruing to GPL coupled with healthy price growth in its core markets is expect to positively impact the company's profitability. Any delays in execution or escalation in construction cost would impact the company's ability to deliver improvement in margins over the medium term.

Business Description

- The Godrej Group was established in 1897. The Godrej Group comprises a varied business portfolio that includes real estate development, fast-moving consumer goods, advanced engineering, home appliances, lending and financial services, furniture, security, and agri-care. While a large number of the businesses are privately held, the combined market cap of its publicly listed entities is c. USD 25bn, with an annual revenue of USD 6bn. Godrej Properties Limited (GPL) is a part of the Godrej Industries Group and the real estate business is one of the key growth businesses of the group.

Exhibit 53. Godrej Industries group

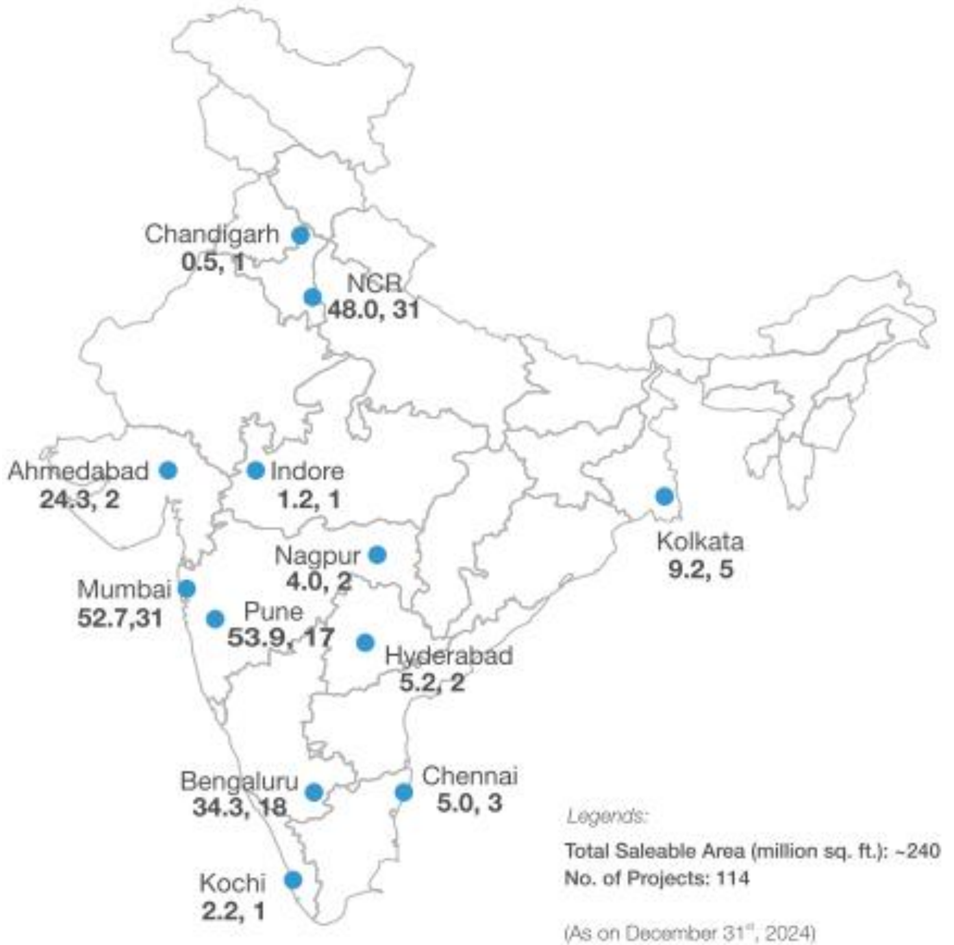


Source: Company, JM Financial

- Godrej Properties Limited (GPL) is India's leading residential real estate developer by booking value for FY24 (Source: QIP offer document). The company specialises in residential project development and operates across 12 cities in India, with a strong presence in Tier-1 cities such as the Mumbai Metropolitan Region (MMR), Pune, Bengaluru, and the National Capital Region (NCR). These locations represent significant growth opportunities for India's real estate sector. It has c. 237msf of estimated total saleable area across India.

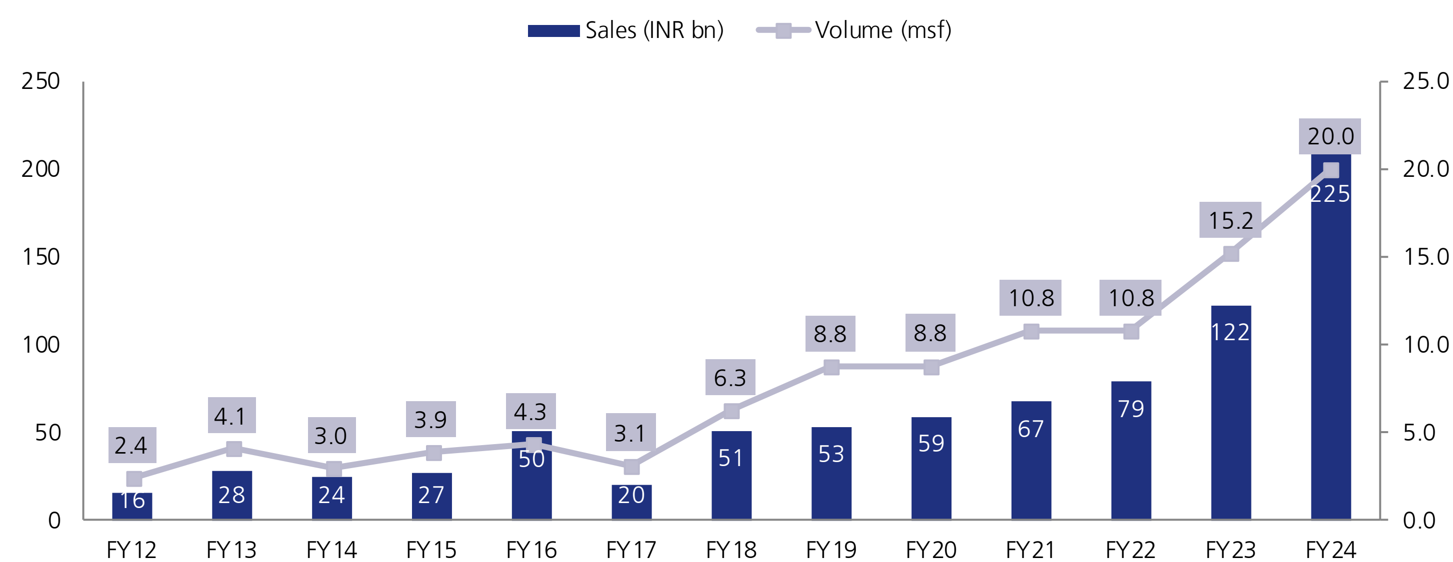
- GPL recorded consolidated total income of INR 42bn in 9MFY25 and INR 43.3bn in FY24, and a profit of INR 7.4bn/10.2bn in FY24/9MFY25 respectively. In FY24, the company achieved a booking value of INR 225bn through 26 new project launches. During 9MFY25, it delivered a booking value of INR 192.8bn with more than 15 new project launches. Since 1st Apr'21, GPL has added 44 projects, with a cumulative estimated saleable area of c. 72msf, reflecting its rapid expansion and focus on portfolio growth.

Exhibit 54. City wise estimated saleable area



Source: Company, JM Financial

Exhibit 55. GPL has witnessed multi-fold jump in pre-sales in the last decade



Source: Company, JM Financial

- Residential developments constitute approximately 94.15% of GPL's estimated total saleable area as of 23rd Oct'24, with the remainder being commercial projects. In addition, the company is diversifying into hospitality with the recent opening of Taj The Trees hotel in Vikhroli, Mumbai. This flagship project spans 0.34msf and is developed and owned by Godrej Highrises Properties, a wholly owned subsidiary, and managed by The Indian Hotels Company Limited.
- GPL employs multiple business models, including outright purchases, joint development agreements (JDAs), and development management roles, to drive project execution and capital efficiency. The outright model involves acquiring land at attractive valuations, enabling higher economic interest and quicker launches. The joint development model allows GPL to partner with the landowners, providing it with revenue or profit-sharing opportunities while reducing capital requirements. GPL also offers equity interests in project-specific entities to long-term investors, leveraging its partnership with Godrej Fund Management for third-party equity investments, further enhancing its asset-light growth strategy.
- A part of the Godrej Industries Group, GPL benefits from the strong reputation of the Godrej brand, which was valued at INR 210.2bn in FY23 by Interbrand. The company's robust corporate governance practices, eminent board of directors, and innovative business strategies have established it as a market leader in India's real estate sector. With a strong focus on scalability, the company continues to pursue land acquisitions and project additions to expand its footprint and drive sustainable growth in the long term.
- By leveraging its expertise, operational excellence, and brand strength, GPL remains well-positioned to capitalise on India's growing real estate market while maintaining its leadership in the residential development segment.

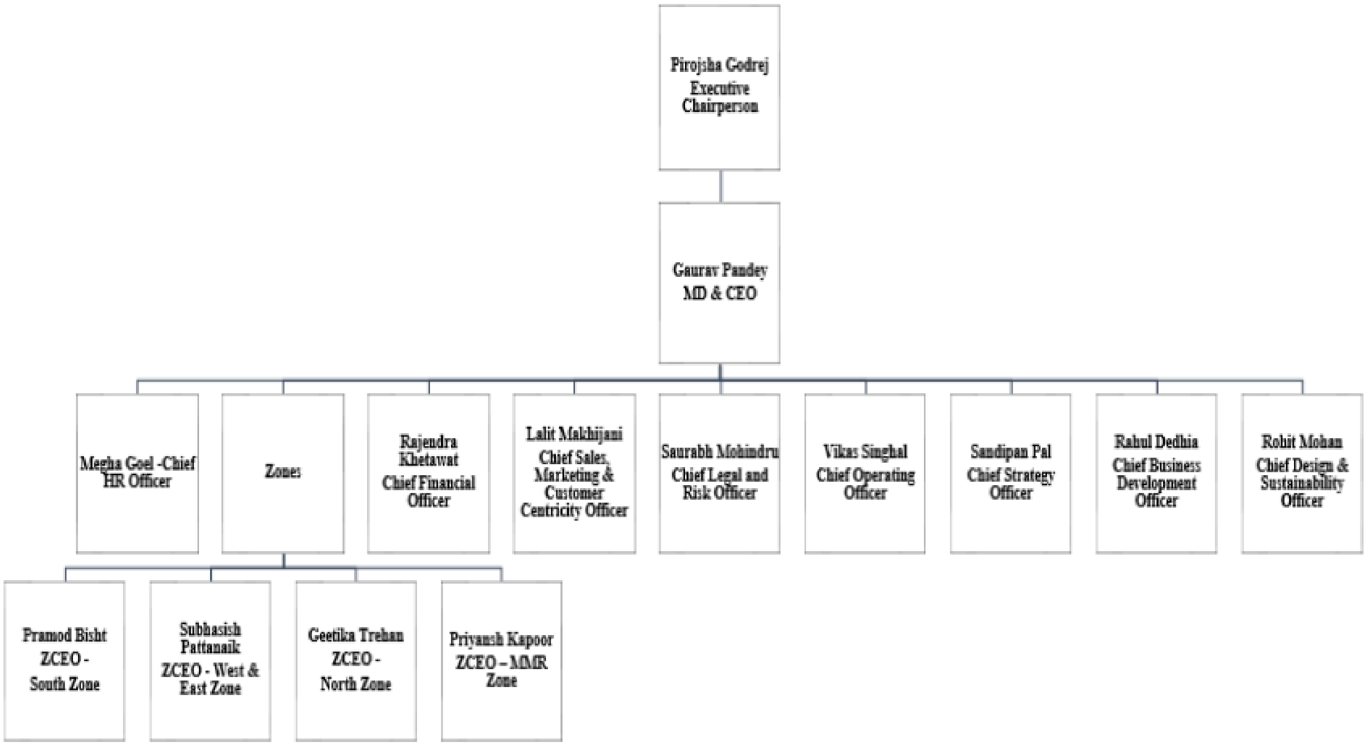
Board of Directors

Exhibit 56. Board of Directors

Name	Description
Mr Pirojsha Godrej	• Mr. Godrej is the Executive Chairperson of the company. He holds a bachelor of science degree in economics from the Wharton Business School at the University of Pennsylvania and a master's degree in international affairs from the School of International and Public Affairs (SIPA) at Columbia University. He is also the Chairperson of Godrej Capital Limited.
Mr Nadir B. Godrej	• Mr. Godrej is a Non-Executive Director of the company. He holds a bachelor's degree in science as recommended by the department of chemical engineering from the Massachusetts Institute of Technology, and a master's degree in business administration from Harvard Business School, U.S.A. • He has also been conferred upon an honorary doctorate of philosophy degree by the Manav Rachna University
Mr Gaurav Pandey	• Mr. Pandey is the Managing Director and Chief Executive Officer of the company. He has completed a postgraduate course from the Indian Institute of Management, Kozhikode. He has experience in the real estate sector and has been associated with the company since 2017. • Additionally, he is the Co-Chair of the Urban Development & Real Estate Committee of Federation of Indian Chambers of Commerce and Industry (FICCI).
Ms Sutapa Banerjee	• Ms. Banerjee is an Independent Director of the company since 2019. She has spent several years in the financial services industry across two large multinational banks (ANZ Grindlays, and ABN AMRO), and a boutique Indian investment bank (Ambit) where she built and headed several businesses. • Currently, she is serving as an independent director on the boards of Zomato Limited, Polycab India Limited, IdeaForge Technology Limited, Camlin Fine Sciences Limited, JSW Cement Limited, Axis Capital Limited and Satsure Analytics India Private Limited.
Dr. Indu Bhushan	• Mr. Bhushan is an Independent Director of the company. He has a master's degree in Health Sciences and doctorate of philosophy degree from Johns Hopkins University. He is a former IAS officer of the Rajasthan cadre (1983 batch) and a former CEO of the National Health Authority (NHA)
Mrs Jayashree Vaidhyanathan	• Mrs. Vaidhyanathan is an Independent Director of the company. She holds a bachelor's degree of engineering in computer science engineering from University of Madras and a master's degree in business administration from Cornell University. • She serves as an independent director for PWC India, PWCIL (International Limited), and UTI Asset Management Company Limited, and is the chief executive officer of BCT Digital.
Mr Sumeet Narang	• Mr, Narang is an Independent Director of the company and the founder of Samara Capital. He holds a bachelor's degree of engineering in mechanical engineering from the University of Roorkee, and a master's degree in business administration from Harvard University. • He also holds a post graduate diploma in management from the Indian Institute of Management Society, Lucknow.

Source: Company, JM Financial

Exhibit 57. Management structure



Source: Company, JM Financial

Exhibit 58. Key management personnel

Name	Designation
Rajendra Khetawat	Chief Financial Officer
Ashish Karyekar	Company Secretary and Compliance Officer

Source: Company, JM Financial

Exhibit 59. Senior management

Name	Designation
Saurabh Mohindru	Chief Legal and Risk Officer
Lalit Makhijani	Chief Sales, Marketing and Customer Centricity Officer
Vikas Singhal	Chief Operating Officer
Rohit Mohan	Chief Design and Sustainability Officer
Megha Goel	Chief Human Resource Officer
Pramod Bisht	Zonal CEO - South
Geetika Trehan	Zonal CEO – North
Priyansh Kapoor	Zonal CEO - MMR
Subhasish Pattanaik	Zonal CEO –West & East
Rahul Dedhia	Chief Business Development Officer
Sandipan Pal	Chief Strategy Officer

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	22,523	30,356	46,264	59,754	62,569
Sales Growth	23.4%	34.8%	52.4%	29.2%	4.7%
Other Operating Income	0	0	0	0	0
Total Revenue	**22,523**	**30,356**	**46,264**	**59,754**	**62,569**
Cost of Goods Sold/Op. Exp	12,419	18,080	25,127	34,881	34,773
Personnel Cost	2,184	3,313	3,479	3,653	3,835
Other Expenses	5,443	10,260	10,465	10,988	11,537
EBITDA	**2,476**	**-1,297**	**7,193**	**10,233**	**12,423**
EBITDA Margin	11.0%	-4.3%	15.5%	17.1%	19.9%
EBITDA Growth	86.0%	0.0%	0.0%	42.3%	21.4%
Depn. & Amort.	241	446	958	1,278	1,598
EBIT	2,235	-1,742	6,236	8,955	10,825
Other Income	7,867	12,986	16,620	16,900	15,972
Finance Cost	1,742	1,521	2,019	1,895	1,868
PBT before Excep. & Forex	8,360	9,723	20,836	23,960	24,929
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	8,360	9,723	20,836	23,960	24,929
Taxes	1,747	2,529	3,750	4,792	4,986
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-407	277	416	437	459
Reported Net Profit	6,206	7,471	17,502	19,605	20,402
Adjusted Net Profit	**6,206**	**7,471**	**17,502**	**19,605**	**20,402**
Net Margin	27.6%	24.6%	37.8%	32.8%	32.6%
Diluted Share Cap. (mn)	277.9	277.9	301.0	301.0	301.0
Diluted EPS (INR)	**22.3**	**26.9**	**58.1**	**65.1**	**67.8**
Diluted EPS Growth	76.2%	20.4%	116.3%	12.0%	4.1%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before Tax	7,953	10,000	20,836	23,960	24,929
Depn. & Amort.	241	446	958	1,278	1,598
Net Interest Exp. / Inc. (-)	1,742	1,521	2,019	1,895	1,868
Inc (-) / Dec in WCap.	-30,342	-3,246	-18,644	-35,346	-24,668
Others	-6,511	-13,001	-16,204	-16,463	-15,513
Taxes Paid	-1,690	-2,645	-3,750	-4,792	-4,986
Operating Cash Flow	**-28,606**	**-6,926**	**-14,785**	**-29,468**	**-16,772**
Capex	-2,999	-6,934	-3,500	-4,000	-4,000
Free Cash Flow	-31,605	-13,860	-18,285	-33,468	-20,772
Inc (-) / Dec in Investments	0	0	2,469	2,256	2,063
Others	27,879	-13,864	16,620	16,900	15,972
Investing Cash Flow	**24,881**	**-20,798**	**15,589**	**15,156**	**14,035**
Inc / Dec (-) in Capital	0	0	59,960	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	51,364	-11,200	-1,200	-1,500
Others	8,322	-18,785	0	0	0
Financing Cash Flow	**8,322**	**32,580**	**48,760**	**-1,200**	**-1,500**
Inc / Dec (-) in Cash	**4,596**	**4,856**	**49,564**	**-15,512**	**-4,237**
Opening Cash Balance	2,552	8,342	13,038	62,421	46,722
Closing Cash Balance	7,148	13,198	62,601	46,910	42,485

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Shareholders' Fund	92,872	103,014	180,316	199,741	219,955
Share Capital	1,390	1,390	1,505	1,505	1,505
Reserves & Surplus	91,482	101,624	178,810	198,236	218,450
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	64,118	106,565	95,365	94,165	92,665
Def. Tax Liab. / Assets (-)	-3,690	-4,198	-4,198	-4,198	-4,198
Total - Equity & Liab.	**153,300**	**205,381**	**271,482**	**289,707**	**308,422**
Net Fixed Assets	8,709	12,474	15,016	17,739	20,141
Gross Fixed Assets	2,176	9,972	13,972	17,972	21,972
Intangible Assets	0	1	1	1	1
Less: Depn. & Amort.	0	0	958	2,235	3,833
Capital WIP	6,533	2,502	2,002	2,002	2,002
Investments	25,345	31,501	29,032	26,775	24,712
Current Assets	192,940	308,511	432,161	466,610	488,467
Inventories	120,734	225,646	271,244	302,865	334,272
Sundry Debtors	5,197	3,747	5,456	6,720	6,694
Cash & Bank Balances	7,148	13,198	62,601	46,910	42,485
Loans & Advances	23,949	17,790	25,845	31,745	31,526
Other Current Assets	35,913	48,130	67,014	78,371	73,491
Current Liab. & Prov.	73,694	147,106	204,727	221,417	224,899
Current Liabilities	33,566	37,556	57,236	73,926	77,408
Provisions & Others	40,128	109,550	147,491	147,491	147,491
Net Current Assets	119,246	161,406	227,434	245,193	263,568
Total – Assets	**153,300**	**205,381**	**271,482**	**289,707**	**308,422**

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin	27.6%	24.6%	37.8%	32.8%	32.6%
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Leverage Factor (x)	1.6	1.8	1.7	1.5	1.4
RoE	6.9%	7.6%	12.4%	10.3%	9.7%

Key Ratios					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)	334.1	370.6	599.1	663.6	730.7
ROIC	1.7%	-0.9%	2.9%	3.5%	3.7%
ROE	6.9%	7.6%	12.4%	10.3%	9.7%
Net Debt/Equity (x)	0.5	0.7	0.1	0.2	0.2
P/E (x)	96.2	79.9	36.9	33.0	31.7
P/B (x)	6.4	5.8	3.6	3.2	2.9
EV/EBITDA (x)	279.6	nm	92.2	66.4	55.0
EV/Sales (x)	30.7	23.8	14.3	11.4	10.9
Debtor days	84	45	43	41	39
Inventory days	1,957	2,713	2,140	1,850	1,950
Creditor days	611	433	535	545	563

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

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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.
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