

Sunteck Realty | BUY

Riding on the success of Nepean Sea

Sunteck Realty (Sunteck) had a strong quarter as it reported bookings of INR 6.6bn (+31% YoY, -24% QoQ; +10% JMFfe) despite lack of launches. The bookings were driven by its recently launched ultra-luxury project at Nepean Sea road which accounted for ~45% of the quarterly pre-sales. Collections were flat at INR 3.5bn, but company expects it to increase by 20-25% in FY26E. Sunteck has planned INR 110bn worth of launches during the year which includes the new projects at Bandra (Bullock Road) and Andheri along with new phases across all its on-going projects. Given the strong project pipeline of INR 400bn, we expect the momentum to sustain in the near term and build in a 28% CAGR in bookings over FY25-28E; collections could clock 35% CAGR during the same period. We maintain BUY rating with a Mar'26 TP of INR 615.

- **Nepean Sea drives strong sales performance:** Sunteck Realty reported strong performance in terms of pre-sales which came in at INR 6.6bn (+31% YoY, -24% QoQ; +10% JMFfe) despite lack of launches during the quarter. The bookings were driven by its ultra-luxury project at Nepean Sea road which continues to witness encouraging traction since its soft launch in 3QFY25. It had a contribution of INR 3bn to overall pre-sales and the ultra-luxury segment had c. 60% share in total sales followed by premium projects with 34% share. With bulk of the bookings coming from new projects, collections are yet to pick up as it came in at INR 3.5bn, up 3% YoY. However, the management highlighted that the collections could grow by 20-25% in FY26E.
- **Launches to accelerate:** Sunteck is targeting to launch INR 110bn worth of new inventory in various projects/phases over the next three quarters. Key projects among them include Avenue 5 ODC (INR 15bn), Bandstand (INR 10bn), Mira Road (1 tower: INR 5bn), Vasai (2 towers: INR 5-6bn) and Naigaon (INR 5bn). Sunteck has re-iterated its guidance of achieving 30% growth in bookings in FY26E.
- **Business development:** During the quarter, Sunteck added a redevelopment project in Andheri East having Gross Development Value (GDV) of INR 11bn, thus maintaining the traction on the business development front. With the addition of Nepean Sea, Bandra and revival of the Dubai projects, the upcoming pipeline has been significantly strengthened to a GDV of INR 400bn. The management team is confident of adding few more projects soon as it intends to reach INR 500bn worth of pipeline by end-FY26E.
- **Financial performance:** Revenue came in at INR 1.9bn (-41% YoY, -9% QoQ) but EBITDA was up 51% YoY to INR 480mn. Margin in base quarter (1QFY25) were impacted by higher FSI cost at ODC, Goregaon and have now normalized to 25%.
- **Maintain BUY with TP of INR 615:** Sunteck continues to do exceedingly well in pre-sales and business development. The pre-sales momentum can continue in the near term given the strong launch pipeline across multiple locations in MMR. We build in a 28% CAGR in bookings over FY25-28E and maintain BUY with a TP of INR 615.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,648	8,531	12,400	14,714	14,758
Sales Growth (%)	55.8	51.0	45.3	18.7	0.3
EBITDA	1,170	1,858	2,947	3,549	3,674
EBITDA Margin (%)	20.7	21.8	23.8	24.1	24.9
Adjusted Net Profit	641	1,503	2,267	2,640	2,668
Diluted EPS (INR)	4.4	10.3	15.5	18.0	18.2
Diluted EPS Growth (%)	0.0	134.4	50.8	16.5	1.1
ROIC (%)	2.3	4.6	6.9	8.3	8.4
ROE (%)	2.2	4.7	6.8	7.5	7.1
P/E (x)	97.5	41.6	27.6	23.7	23.4
P/B (x)	2.0	1.9	1.9	1.7	1.6
EV/EBITDA (x)	55.6	33.4	20.9	16.8	15.8
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.4

Source: Company data, JM Financial. Note: Valuations as of 18/Jul/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	615
Upside/(Downside)	44.1%
Previous Price Target	615
Change	0.0%

Key Data – SRIN IN

Current Market Price	INR427
Market cap (bn)	INR62.5/US\$0.7
Free Float	34%
Shares in issue (mn)	146.5
Diluted share (mn)	146.5
3-mon avg daily val (mn)	INR136.3/US\$1.6
52-week range	635/347
Sensex/Nifty	81,758/24,968
INR/US\$	86.2

Price Performance

%	1M	6M	12M
Absolute	-3.0	-13.4	-28.9
Relative*	-2.2	-19.6	-29.9

* To the BSE Sensex

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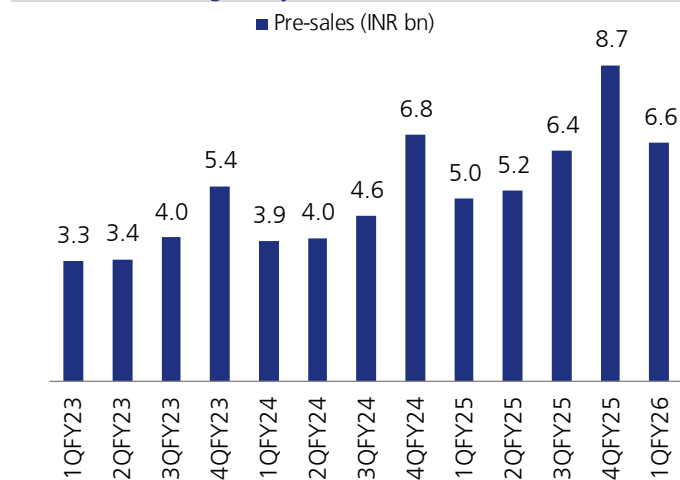
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Exhibit 1. 1QFY26 financial performance

INR mn	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY25	FY24	YoY (%)
Net Sales	1,883	3,163	-40%	2,060	-9%	8,531	5,648	-34%
Cost of Sales	876	2,316	-62%	692	27%	4,337	2,344	-46%
Gross Margin (%)	53%	27%	2670bps	66%	-1296bps	49%	58%	-933bps
Employee Expenses	306	235	30%	315	-3%	1,067	904	-15%
Other Expenses	224	298	-25%	367	-39%	1,270	1,230	-3%
EBITDA	477	314	52%	687	-30%	1,858	1,170	-37%
EBITDA Margin (%)	25%	10%	1543bps	33%	-798bps	22%	21%	107bps
Depreciation	34	34	3%	28	25%	129	95	-26%
Interest Costs	149	103	45%	119	25%	409	684	67%
Other Income	132	117	13%	118	12%	495	558	13%
Exceptional Item	-	-	NA	-	NA	-	-	NA
Share of profit in associates	0	3	-89%	17	-98%	18	1	-94%
PBT	426	298	43%	674	-37%	1,835	950	-48%
Tax	92	70	31%	170	-46%	331	240	-27%
PAT	334	228	47%	504	-34%	1,503	709	-53%

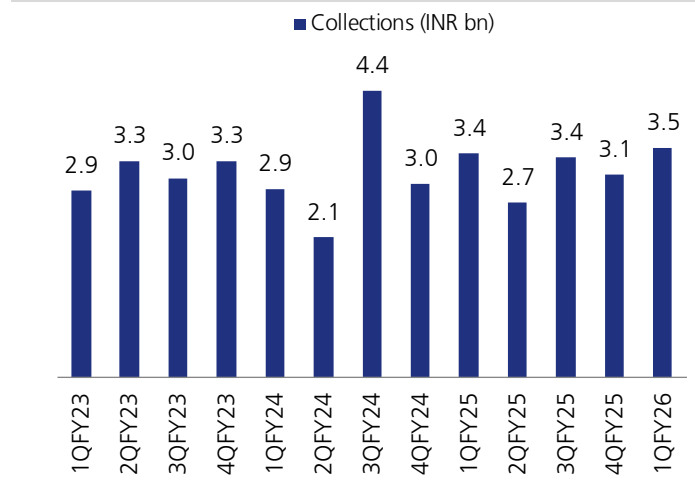
Source: Company, JM Financial

Exhibit 2. Pre-sales grew by 31% YoY



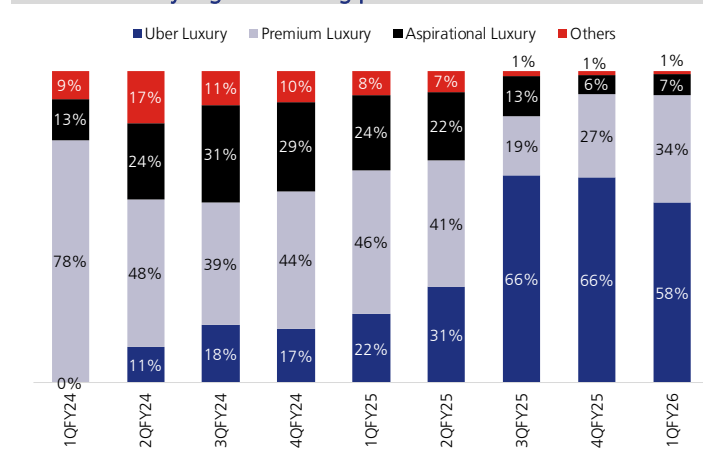
Source: Company, JM Financial

Exhibit 3. Collections were flat at INR 3.5bn



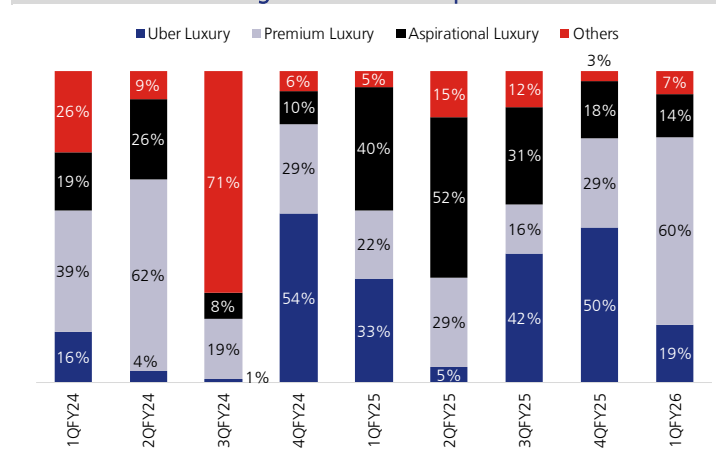
Source: Company, JM Financial

Exhibit 4. Luxury segment driving pre-sales

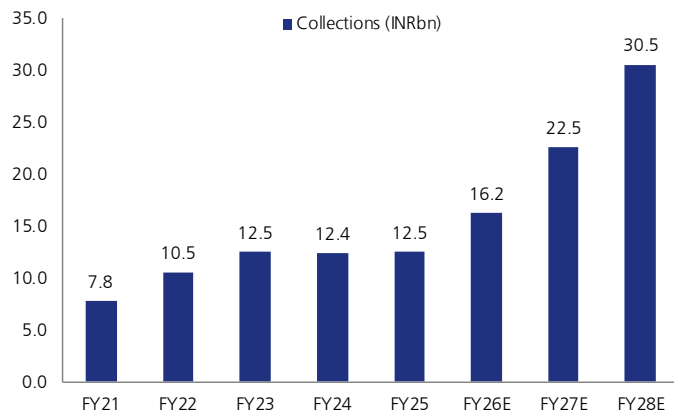


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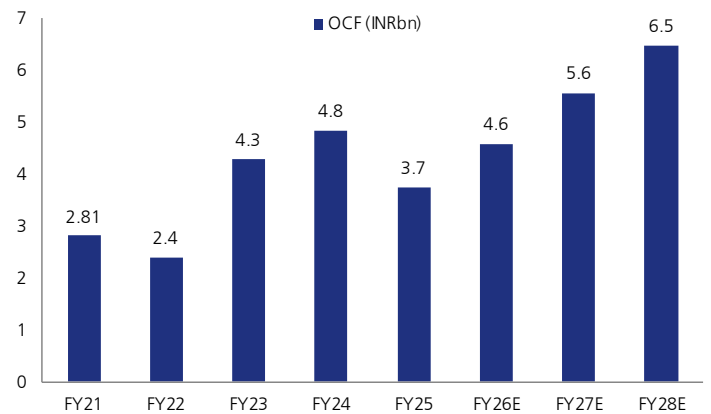
Exhibit 5. Collections segment wise breakup



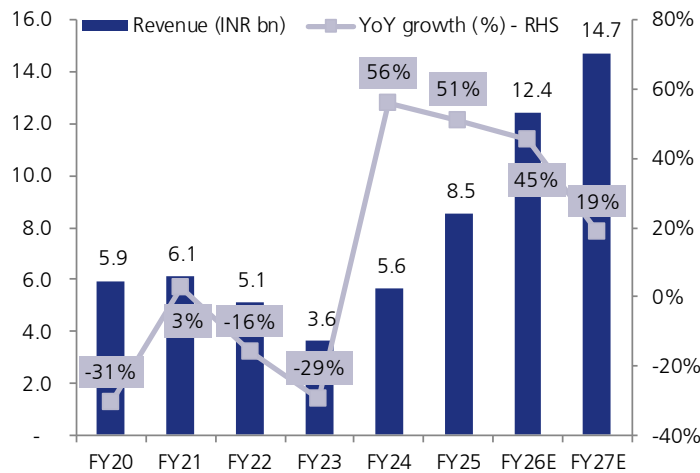
Source: Company, JM Financial

Exhibit 6. Collections to grow at 35% CAGR over FY25-28E...

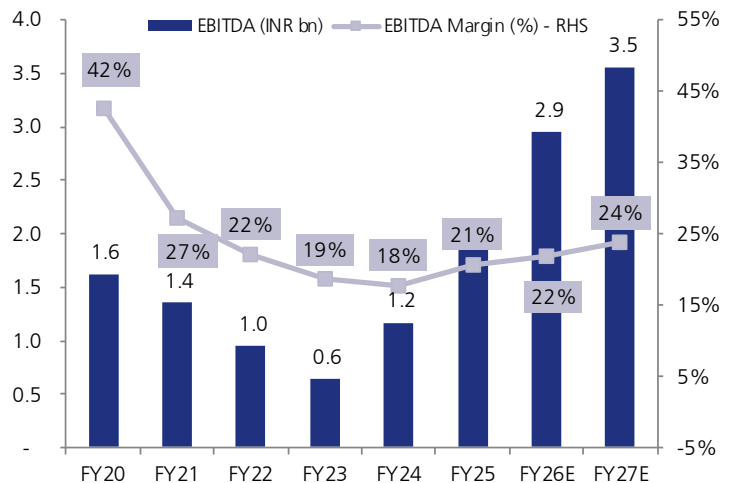
Source: Company, JM Financial

Exhibit 7. ...with steady cash flows

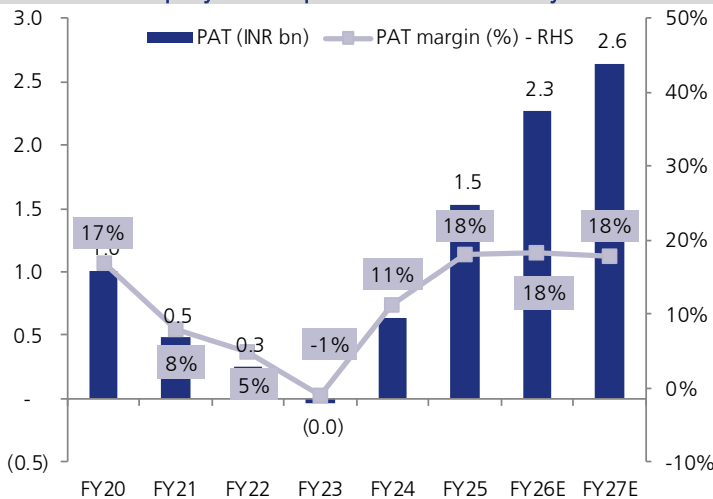
Source: Company, JM Financial

Exhibit 8. Revenue to grow at 31% CAGR over FY25-27E

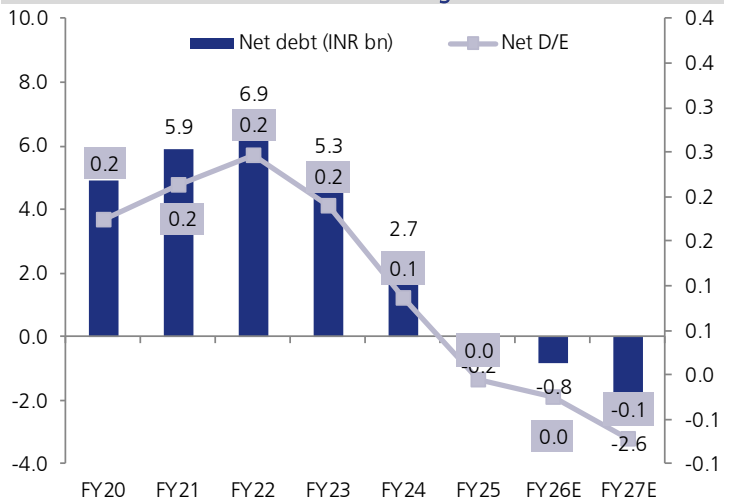
Source: Company, JM Financial

Exhibit 9. EBITDA growth to be higher aided by margin expansion

Source: Company, JM Financial

Exhibit 10. Company could report PAT of INR 2.6bn by FY27

Source: Company, JM Financial

Exhibit 11. Balance sheet will remain strong

Source: Company, JM Financial

Exhibit 12. Sunteck P/B chart



Source: Company, JM Financial

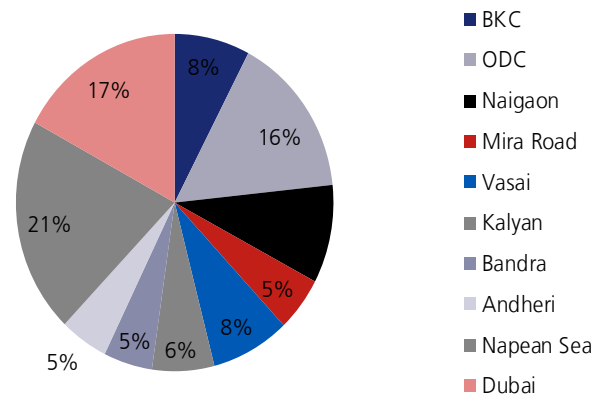
Valuation

Exhibit 13. We assign a TP of INR 615

SOTP Summary	INR mn	Per share
Residential	83,763	574
Commercial	5,485	38
Enterprise Value	89,248	610
Less: Net Debt (FY26ii)	(833)	(6)
Net Asset Value	90,081	615
CMP		427
Upside		44%

Source: Company, JM Financial

Exhibit 14. Project wise contribution to GAV



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,648	8,531	12,400	14,714	14,758
Sales Growth	55.8%	51.0%	45.3%	18.7%	0.3%
Other Operating Income	0	0	0	0	0
Total Revenue	5,648	8,531	12,400	14,714	14,758
Cost of Goods Sold/Op. Exp	2,344	4,337	6,820	8,093	7,527
Personnel Cost	904	1,067	1,173	1,291	1,420
Other Expenses	1,230	1,270	1,460	1,781	2,138
EBITDA	1,170	1,858	2,947	3,549	3,674
EBITDA Margin	20.7%	21.8%	23.8%	24.1%	24.9%
EBITDA Growth	82.3%	58.8%	58.6%	20.5%	3.5%
Depn. & Amort.	95	129	142	163	187
EBIT	1,074	1,729	2,805	3,387	3,487
Other Income	558	495	396	317	254
Finance Cost	684	409	179	184	184
PBT before Excep. & Forex	949	1,816	3,022	3,520	3,557
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	949	1,816	3,022	3,520	3,557
Taxes	308	331	756	880	889
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	1	18	0	0	0
Reported Net Profit	641	1,503	2,267	2,640	2,668
Adjusted Net Profit	641	1,503	2,267	2,640	2,668
Net Margin	11.4%	17.6%	18.3%	17.9%	18.1%
Diluted Share Cap. (mn)	146.5	146.5	146.5	146.5	146.5
Diluted EPS (INR)	4.4	10.3	15.5	18.0	18.2
Diluted EPS Growth	0.0%	134.4%	50.8%	16.5%	1.1%
Total Dividend + Tax	220	220	220	220	220
Dividend Per Share (INR)	1.5	1.5	1.5	1.5	1.5

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	949	1,816	3,022	3,520	3,557
Depn. & Amort.	95	129	142	163	187
Net Interest Exp. / Inc. (-)	-82	-488	575	501	437
Inc (-) / Dec in WCap.	-502	537	-205	-221	-258
Others	750	461	-396	-317	-254
Taxes Paid	-121	-556	-776	-902	-912
Operating Cash Flow	1,090	1,898	2,362	2,744	2,758
Capex	-631	-325	-313	-324	-335
Free Cash Flow	458	1,573	2,049	2,420	2,423
Inc (-) / Dec in Investments	3,075	-182	-235	-246	-259
Others	67	140	0	0	0
Investing Cash Flow	2,511	-367	-548	-570	-594
Inc / Dec (-) in Capital	6	0	0	0	0
Dividend + Tax thereon	-211	-220	0	0	0
Inc / Dec (-) in Loans	-2,782	-443	-399	-404	-404
Others	-300	415	0	0	0
Financing Cash Flow	-3,287	-247	-399	-404	-404
Inc / Dec (-) in Cash	314	1,284	1,415	1,770	1,761
Opening Cash Balance	283	356	853	2,268	4,038
Closing Cash Balance	597	1,640	2,268	4,038	5,799

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	31,242	32,600	33,804	36,168	38,558
Share Capital	146	146	146	146	146
Reserves & Surplus	31,095	32,454	33,658	36,021	38,412
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	3,749	3,869	3,869	3,869	3,869
Def. Tax Liab. / Assets (-)	-400	-370	-390	-412	-435
Total - Equity & Liab.	34,592	36,100	37,283	39,625	41,993
Net Fixed Assets	4,906	4,986	5,157	5,318	5,466
Gross Fixed Assets	4,906	4,986	5,157	5,318	5,466
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	2,756	2,739	2,876	3,020	3,171
Current Assets	71,115	75,129	78,258	82,660	87,211
Inventories	59,663	62,064	64,548	66,515	68,738
Sundry Debtors	2,925	1,174	679	806	809
Cash & Bank Balances	597	1,640	2,268	4,038	5,799
Loans & Advances	1,131	2,045	2,147	2,254	2,367
Other Current Assets	6,799	8,205	8,615	9,046	9,498
Current Liab. & Prov.	44,186	46,754	49,008	51,373	53,855
Current Liabilities	3,639	3,654	3,753	3,855	3,961
Provisions & Others	40,547	43,100	45,255	47,518	49,894
Net Current Assets	26,929	28,375	29,250	31,287	33,356
Total - Assets	34,592	36,100	37,283	39,625	41,993

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	11.4%	17.6%	18.3%	17.9%	18.1%
Asset Turnover (x)	0.1	0.2	0.3	0.3	0.3
Leverage Factor (x)	1.3	1.2	1.2	1.2	1.2
RoE	2.2%	4.7%	6.8%	7.5%	7.1%

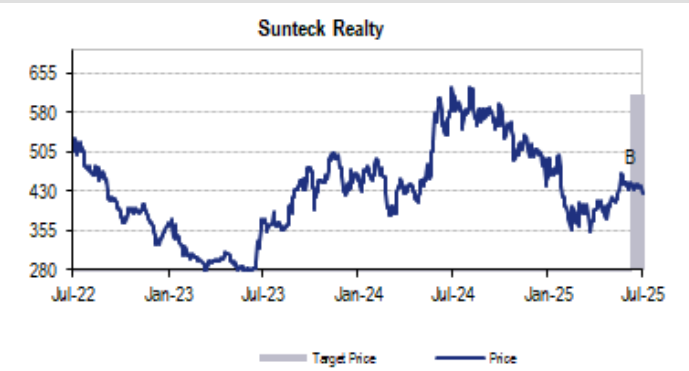
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	213.3	222.5	230.8	246.9	263.2
ROIC	2.3%	4.6%	6.9%	8.3%	8.4%
ROE	2.2%	4.7%	6.8%	7.5%	7.1%
Net Debt/Equity (x)	0.1	0.0	0.0	-0.1	-0.1
P/E (x)	97.5	41.6	27.6	23.7	23.4
P/B (x)	2.0	1.9	1.9	1.7	1.6
EV/EBITDA (x)	55.6	33.4	20.9	16.8	15.8
EV/Sales (x)	11.5	7.3	5.0	4.1	3.9
Debtor days	189	50	20	20	20
Inventory days	3,855	2,655	1,900	1,650	1,700
Creditor days	0	0	0	0	0

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
26-Jun-25	Buy	615	

Recommendation History



APPENDIX I

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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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