

CMP	: INR 1,819
Reco	: BUY ↔
Target Price	: INR 2,820 ↓
Target Price Change	: -8%
Target 1HFY28e embedded EV/EBITDA (x)	: 10
Sales booking change FY26/ 27/ 28	: -4%/ -7%/ -7%

Biplab Debbarma, CFA

+91 22 6911 3418
biplab.debbarma@antiquelimited.com

Tanishk Khinvasra

+91 22 6911 3437
tanishk.khinvasra@antiquelimited.com

Market data	
Sensex	: 84,997
Sector	: Real Estate
Market Cap (INR bn)	: 203.0
Market Cap (USD bn)	: 2.302
O/S Shares (mn)	: 111.7
52-wk HI/LO (INR)	: 2980/1563
Avg. Daily Vol ('000)	: 259
Bloomberg	: ABREL IN

Source: Bloomberg

	FY26e	FY27e	FY28e
EPS (INR)	(5.0)	3.1	102.2
P/E (x)	(366.9)	595.0	17.8
P/BV (x)	5.5	5.6	4.3
EV/EBITDA (x)	109.2	79.7	13.9
Dividend Yield (%)	0.4	0.4	0.5

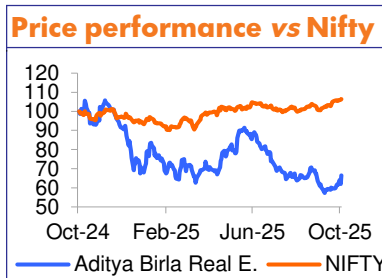
Source: Bloomberg

Returns (%)				
	1m	3m	6m	12m
Absolute	9	(6)	(6)	(34)
Relative	3	(10)	(12)	(37)

Source: Bloomberg

Shareholding pattern	
Promoters	: 50%
Public	: 49%
Others	: 1%

Source: Bloomberg



Source: Bloomberg Indexed to 100

2QFY26 RESULT REVIEW

Aditya Birla Real Estate

Strong 2Q sustenance sales; uptick expected in 2H

Aditya Birla Real Estate's (ABREL) 2QFY26 highlight was the strong sustenance sales in its ongoing projects. Considering the limited inventory and no new launches, ABREL delivered a healthy pre-sales performance of INR 8.9 bn (+111% QoQ/ -37% YoY), exceeding our estimate as we had assumed lower absorption in Niyaara. Thus, 1HFY26 pre-sales stood at INR 13.1 bn (-21.6% YoY). The sustenance sales came predominantly from Birla Niyaara, Worli and Birla Evara, Bengaluru, as these are the only two projects with a sizeable unsold inventory; they contributed 73% of total sales in 2Q. While ABREL has not provided formal guidance for FY26, we expect it to cross pre-sales of INR 8.0 bn in FY26 and potentially reach INR 90.0 bn if Tower C of Niyaara, Worli and Arika, Gurugram perform well. ABREL earlier gave guidance of pre-sales run-rate of INR 150 bn by FY28. Given the absence of new business development activity and increasing supply in the Worli micro-market, where ABREL has significant inventory to sell, we revise our pre-sales estimates by -4%/ -7%/ -7% to INR 86 bn/ INR 108 bn/ INR 135 bn in FY26E/ 27E/ 28E. We maintain BUY rating with a revised TP of INR 2,820 (earlier INR 3,061), based on 10x EV/embedded EBITDA on 1HFY28E. SOBHA and ABREL remain our top picks.

2QFY26 in a nutshell

Real estate: The quarter's pre-sales was INR 8.9 bn (111%/ -37% QoQ/ YoY) vs. our estimate of INR 5.5 bn. Thus, in 1HFY26 pre-sales was INR 13.1 bn (-22% YoY). Although, we anticipated strong sustenance sales in its Bengaluru project which our channel checks indicated, but we expected lower sustenance sales from its Mumbai project—Birla Niyaara (Worli). Quarterly collection was INR 5.1 bn (-6%/ -20% QoQ/ Yoy); 1HFY26 collection INR 10.6 bn (-7% YoY). Strong launch pipeline of INR 139 bn across four key regions (NCR, MMR, Pune, and Bengaluru) in 2HFY26. Both the Pune projects have received RERA. Net leasing income of INR 306 mn (6% YoY) in 2QFY26 and INR 581 mn (1% YoY) in 1HFY26. Net debt: INR 42.3 bn (INR 2.8 bn/ INR 3.5 bn QoQ/ YoY). Financial: In 2QFY26, revenue was INR 968 mn (-91% YoY); EBITDA INR -701 mn (vs. INR 880 mn in 2QFY25); adj. PAT INR -710 mn (vs. INR 122 mn in 2QFY25).

Strong launch pipeline in 2H

ABREL has a diverse launch pipeline of INR 139 bn in GDV lined up for 2HFY26, spread across nine projects totaling 7.8 msf of saleable area. The launches are distributed across its four core markets—MMR (INR 63.4 bn GDV), Pune (INR 30.5 bn), Bengaluru (INR 6.7 bn), and NCR (INR 38.7 bn). Of these, three projects (two in Pune and one in Sector 71, Gurugram) would be launched in 3Q with GDV of INR 37.2 bn. The launch pipeline also include the third tower of Niyaara with GDV of INR 44.3 bn, a strong response to Niyaara would ensure positive surprise in pre-sales of ABREL in FY26.

Strong business development pipeline

ABREL has strengthened its funding base through PE deals with Mitsubishi and IFC. In addition, the INR 34.98 bn paper business divestment is now expected to conclude by March 2026. From its ongoing projects, ABREL expects to have surplus cash flow of INR 74.1 bn over next ~ 3 years. With strong cash flow visibility, we expect business development to gain traction going forward. Currently, ABREL has around INR 300 bn of business development pipeline at advanced stage of which it is expected to close ~ INR 150 bn of GDV in this financial year across major markets - NOIDA, Gurugram, Bengaluru and Pune.

Investment Summary

We continue to remain structurally positive on ABREL's growth prospects in the medium to long term. **ABREL is one of our top picks and we reiterate BUY with a revised TP of INR 2,820.** Key monitorable are launches of Niyaara and business development.

Valuation using embedded EBITDA

ABREL clocked INR 39.9 bn and INR 80.9 bn in FY24 and FY25 respectively. Aided by a robust launch pipeline and aggressive business development velocity, we expect ABREL to surpass INR 90 bn in FY26 and INR 109 bn in FY27.

Table 1: SoTP valuation

Embedded EV/EBITDA method	1H FY28E
Sales booking (INR bn)	121
Embedded EBITDA margin	25%
Embedded EBITDA (INR bn)	30
EV/ EBITDAx	10
EV of residential (INR bn)	304
Commercial portfolio at cap rate of 7.5% INR bn)	19
Paper business sales (INR bn)	35
less: net debt (INR bn)	-42
Equity value (INR bn)	315
O/S shares (# mn)	112
TP	2,820

Source: Company, Antique

Table 2: NAV methodology

	INR mn
Commercial Leasing - Operational	18,571
Completed	2,034
Ongoing	32,055
Upcoming	143,231
Paper	34,980
Land Bank	4,533
Total EV (INR mn)	235,405
Less: net Debt	(42,262)
NAV (INR mn)	193,143
no. of share (mn)	112
per share value (INR)	1,724

*We have excluded NOIDA project from our NAV calculation

	INR/share	Premium to NAV
NAV	1,724	0%
CMP	1,819	5%
TP	2,820	64%

Source: Company, Antique

Table 3: Change in estimates

	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales booking (INR bn)	86	108	135	90	117	146	-4%	-7%	-7%
Embedded EV/EBITDA (margin)		25.0%	25.0%		25.0%	25.0%		0%	0%
Embedded EV/EBITDA multiple		10	10		10	10		0%	0%

Source: Company, Antique

Table 4: Quarterly snapshot – 2QFY26

Operational - real estate

INR mn	2QFY26	1QFY26	2QFY25	QoQ %	YoY %	1HFY26	1HFY25	YoY %	FY25
Sales booking	8,895	4,225	14,120	110.53	-37.00	13,120	16,740	-21.62	80,870
Collection	5,120	5,453	6,440	-6.11	-20.50	10,573	11,320	-6.60	27,060
Leasing income	306	275	290	11.27	5.52	581	578	0.52	1,215

Financial

P&L

Year ended	2QFY26	1QFY26	2QFY25	QoQ %	YoY %	1HFY26	1HFY25	YoY %	FY25
Net Revenue	978	1,456	11,276	-32.78	-91.32	2,434	6,197	-60.72	12,189
Op. Expenses	1,679	1,855	10,396			3,534	5,472		-11,893
EBITDA	(701)	(399)	880	na	na	(1,100)	724	na	296
Depreciation	157	155	551			312	319		638
EBIT	(858)	(554)	329			(1,412)	406		-342
Other income	154	119	105			272	214		385
Interest Exp.	177	71	170			248	265		-458
Extra Ordinary Items -gain/(loss)	-	-				-	-		-1,327
Reported PBT	(882)	(506)	265	na	na	(1,388)	355	na	-1,742
Tax	(187)	(58)	140			(245)	189		303
Minority Int./Profit (loss) From Asso.	16	9	2			25	177		-174
Net Profit	(710)	(457)	122	na	na	(1,167)	(12)	na	-1,613
Adjusted PAT	(157)	(255)	26	na	na	(412)	103	na	-286

Source: Company, Antique

Table 5: Balance sheet and cash flow – 1HFY26

Year ended	Sep-2025	Sep-2024	Sep-2023	Mar-2024
Share Capital	1,117	1,117	1,117	1,117
Reserves & Surplus	36,677	39,382	36,497	38,674
Networth	37,794	40,499	37,613	39,791
Debt	54,899	47,339	22,379	24,815
Minority Interest	178	574	1,461	1,156
Net deferred Tax liabilities	(2,296)	(1,068)	(220)	(833)
Capital Employed	90,576	87,344	61,233	64,929
Net Fixed Assets	44,627	36,483	39,106	37,465
Capital work in progress	774	1,175	1,264	960
Net Fixed Assets	45,400	37,658	40,370	38,426
Investments	11,282	9,283	4,798	6,917
Non-Current Investments	6,496	5,303	2,711	4,090
Current Investments	4,787	3,980	2,087	2,827
Current Assets, Loans & Advances				
Inventory	94,869	78,183	44,420	47,258
Debtors	160	1,521	1,511	1,656
Cash & Bank balance	7,260	4,102	4,612	4,015
Loans & advances and others	9,714	7,405	6,462	5,881
Current Liabilities & Provisions	1,12,003	91,210	57,005	58,810
Liabilities	76,240	48,907	39,070	37,344
Provisions	1,870	1,900	1,870	1,879
Net Current Assets	33,893	40,403	16,066	19,587
Application of Funds	90,576	87,344	61,233	64,929

Source: Company, Antique

Table 6: Cash Flow Statement

Year ended	Sep-2025	Sep-2024	Sep-2023
PBT	(272)	455	(428)
Depreciation & amortization	372	1,097	1,176
Interest expense	281	315	299
(Inc)/Dec in working capital	(2,624)	(21,451)	(4,370)
Tax paid	(636)	(449)	(673)
Less: Interest/Dividend Income Received	(30)	(63)	(577)
Other operating Cash Flow	(143)	23	527
Cash flow from operating activities	(3,053)	(20,073)	(4,045)
Capital expenditure	(996)	(341)	(647)
Inc/(Dec) in investments	(390)	(1,304)	(3,846)
Add: Interest/Dividend Income Received	213	104	576
Cash flow from investing activities	(1,173)	(1,540)	(3,916)
Inc/(Dec) in debt	4,378	19,623	11,270
Dividend/Interest Paid	(2,352)	(1,487)	(1,331)
Others			(988)
Cash flow from financing activities	2,026	18,136	8,951
Net cash flow	(2,200)	(3,477)	990
Opening balance	7,994	3,123	(1,204)
Closing balance	5,794	(354)	(213)

Source: Company, Antique

Earnings Call Highlights

■ Launches:

- 3Q launch: Manjari (RERA received), Punya (RERA received), and Sector 71 (RERA applied).
- To launch entire project at one go or in phases: Sector 71 entire project may be launched depending on demand, similarly Boisar. Whereas, Manjari is a large project so it would be launched in phases. Likewise, the Thane project is a large one and would be launched in phases.
- Manjari launch: Ticket size of INR 5 mn to INR 10 mn, INR 7,000/sq. ft. RERA received earlier but there was some issue and hence the delay in launch. RERA issue has been resolved now and channel partner meet has already happened and soon launch is expected. Expect strong response.
- Niyaara Tower C launch expected in March 2026.

■ Niyaara doing well:

- Sold 113 units out of 148 till date in Tower B and 400 out of 414 units in Tower A.
- Delay in launch in Tower C due to setback in Worli West land as ABREL had to change the integrated development plan post the SC verdict on BMC land in Worli West. Now the likely launch of Tower C will be in March 2026. Huge demand build-up for Tower C.

■ Thane:

- NGT ruling that prevented approval has gone. Project approval is at MoEF. Expecting RERA in this quarter itself and launch in 4Q.
- Land payment of INR 3.9 bn of INR 6 bn already paid. Remaining payment will go from IFC and no outflow from Birla.
- Thane project's ticket size would be INR 7.5 mn to 20 mn.

- **Collection:** 2Q billing shifted to 3Q. Minor shift in billing of around INR 5-6 bn spilling over to 3Q. So, expecting cumulative collection of INR 20 bn in 9MFY26. In addition, collection of INR 1.5 bn from Evara excluded as the project is a JV with Mitsubishi.

- **Strong business development pipeline:** Approximate GDV of INR 300 bn in advanced stages, including in NOIDA, Gurugram, Bengaluru, and Pune. Confident of closing a minimum GDV of INR 150 bn by end of FY and would be mix of outright, JDA, and JV. Going to be very strong in business development going forward with cash at disposal due to PE deals and Paper deals.

- **Paper sale:** Deal on track. ITC in discussion with CCI. Expected to close the deal in this FY.

- **Net debt going up by INR 2.8 bn QoQ:** Due to collection spilling over to 3Q.

- **Long-term aspiration:** Intends to become one of the top five real estate companies in the country with focus on operational excellence.

- **Relaxed payment terms:** In some projects on case-by-case basis relaxed payment terms given but majority of pre-sales under normal payment plans.

Table 7: Project portfolio

Particulars	Ongoing			Upcoming		
	Saleable areamn sq. ft.	GDV INR bn	No of projects	Saleable areamn sq. ft.	GDV INR bn	No of projects
MMR	3.2	104.7	3	11.6	325.8	4
NCR	3.0	56.8	2	3.8	73.8	2
Bengaluru	7.5	70.6	5	1.3	12.6	-
Pune	0.3	4.4	1	4.4	50.0	1
Total	14.0	236.5	11	21.1	462.2	7

Source: Company, Antique

Table 8: 2HFY26 launch pipeline

Regions	Project	Location	Ownership	Stake	GDV launch (INR bn)	Launch area (mn sq. ft.)	Expected launch
Pune	Birla Evam	Manjri, Pune	Outright	56%	7.7	1.0	3QFY26
	Birla Punya	Wellesley Road	Outright	100%	22.9	1.3	3QFY26
MMR	Niyaara 3rd Tower	Worli	Outright	100%	44.3	0.7	4QFY26
	Thane Project	Kalwa, Thane	Outright	56%	16.3	1.3	2HFY26
	Plotted	Boisar	Outright	100%	2.8	0.9	2HFY26
NCR	Birla Navya V	Sector 63, Gurugram	Profit share	50%	6.4	0.3	2HFY26
	Sector 71	Sector 71, Gurugram	Outright	100%	6.7	0.5	3QFY26
	Birla Arika remaining	Sector 31, Gurugram	Revenue share	58%	25.6	1.0	2HFY26
Bengaluru	Birla Trimaya new phase	Devanahalli, Bengaluru	Profit share	47%	6.7	0.7	4QFY26
Total					139.3	7.7	

Source: Company, Antique

Table 9: Cash flow potential from ongoing projects

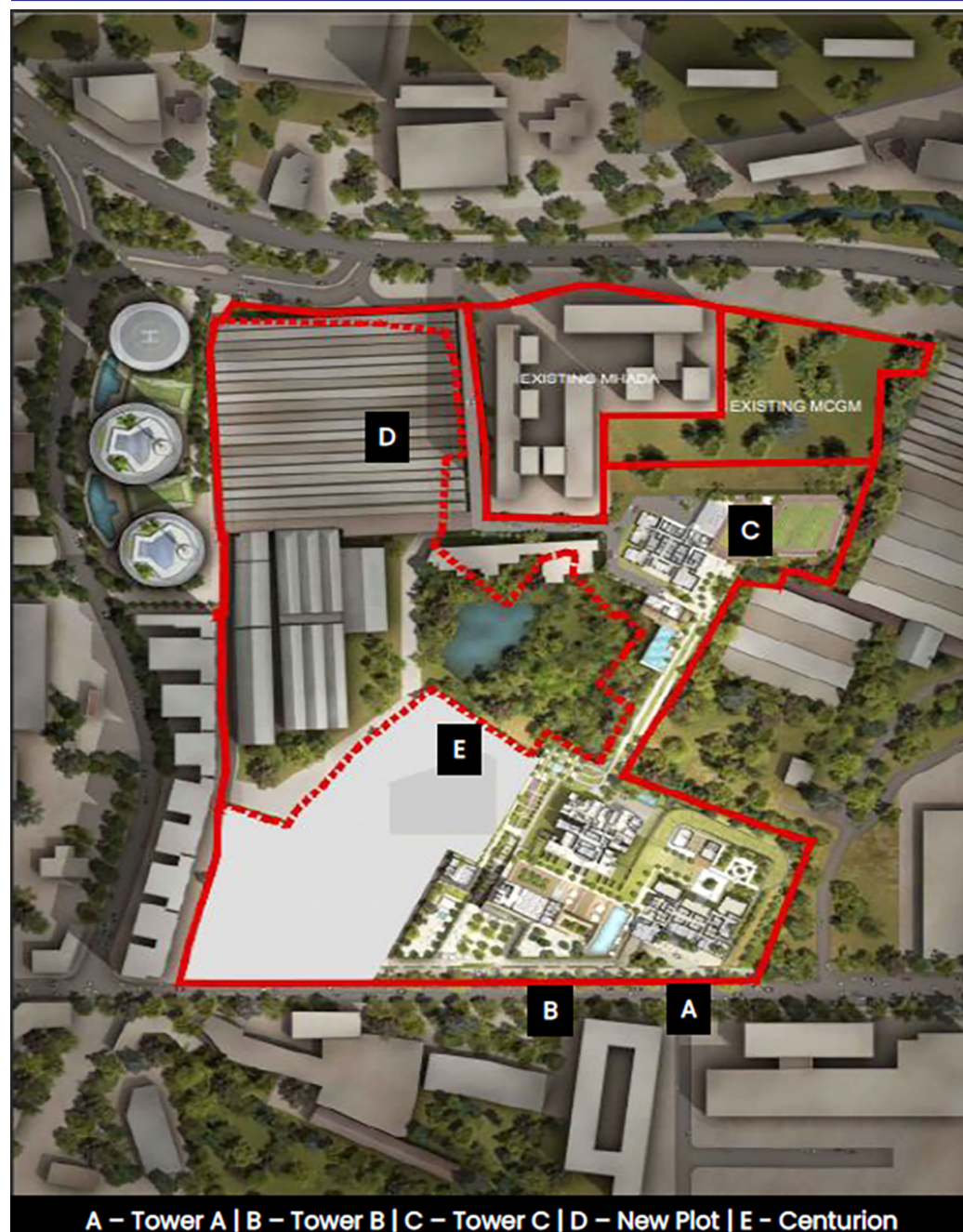
	INR bn
Pending collections	120.28
Unsold inventory	50.88
Cost to be incurred	-97.00
Estimated cash flow surplus (INR bn)	74.17

Source: Company, Antique

Table 10: Worli portfolio, Mumbai

	Area (mn sq. ft.)	Status
Niyaara - Tower A	0.9	Niyaara; ongoing
Niyaara Silas – Tower B	0.9	Niyaara Silas; ongoing
Niyaara – Tower C	0.7	3 rd Tower; launch in 4QFY26
Total	2.5	
D	2.6	New plot (Wadia); yet to be launched
Future office	1.3	yet to be launched
Worli West	0.4	yet to be launched
Century Bhavan	0.4	yet to be launched; at different location in Worli
Grand total	7.2	

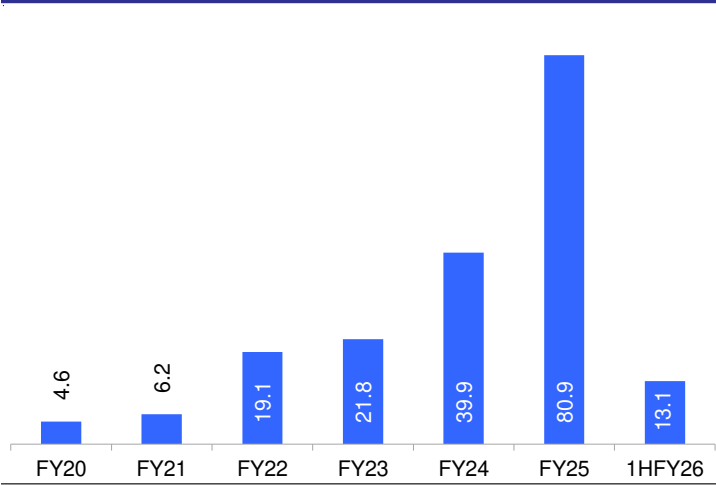
Source: Company, Antique

Exhibit 1: Worli East plot (doesn't include Century Bhavan + Worli West plot)

Source: Company, Antique

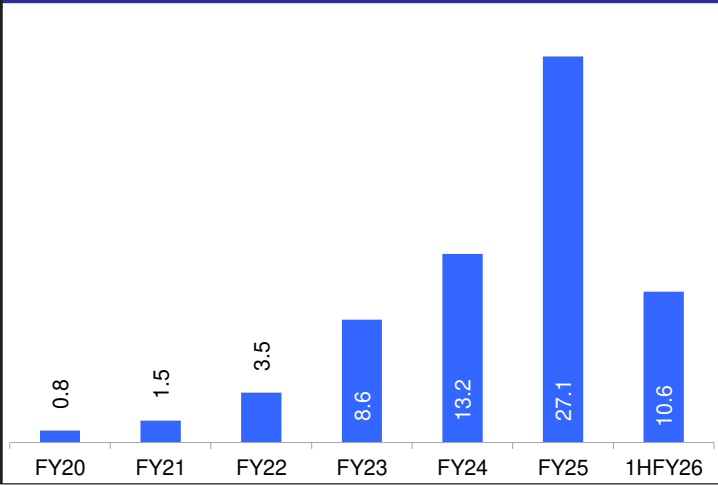
Story in Charts

Exhibit 2: A good 2Q pre-sales (INR bn); muted 1H



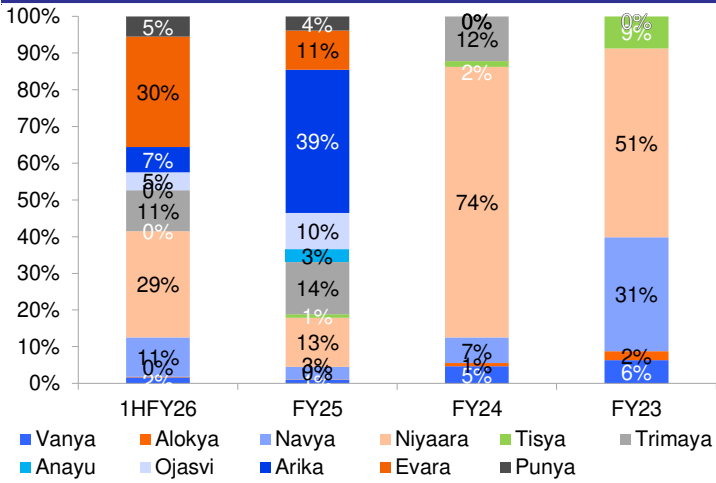
Source: Company, Antique

Exhibit 3: Collection growth to continue (INR bn)



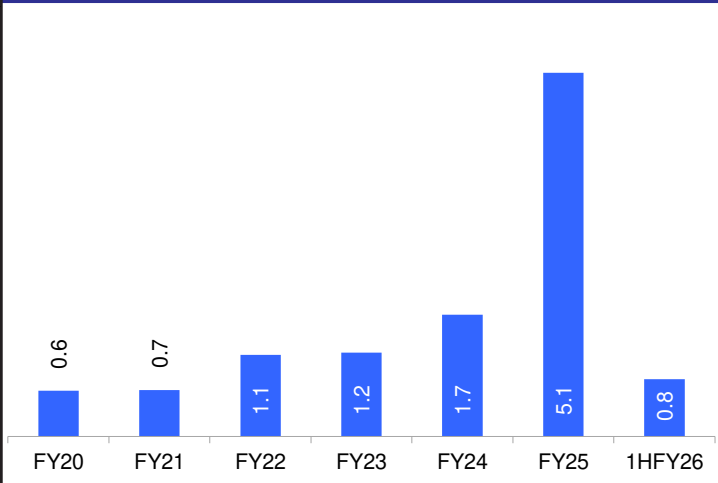
Source: Company, Antique

Exhibit 4: Project contribution



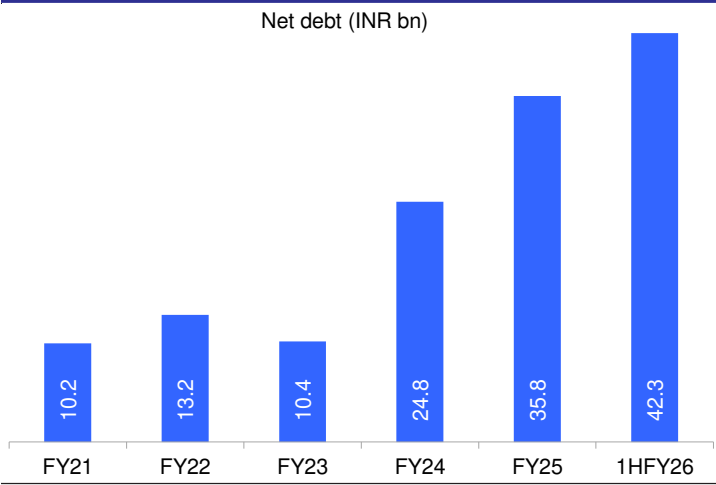
Source: Company, Antique

Exhibit 5: Area sold (mn sq. ft.)



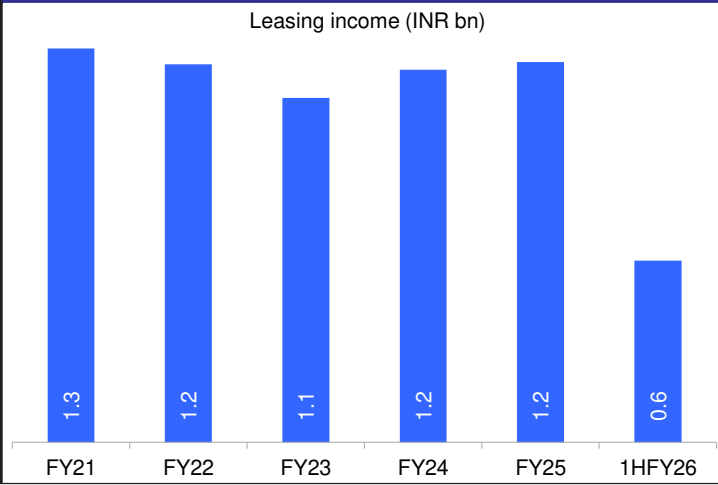
Source: Company, Antique

Exhibit 6: Net debt (INR bn)



Source: Company, Antique

Exhibit 7: Leasing income (INR bn)



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	45,135	12,189	10,331	14,380	65,199
Op. Expenses	(38,523)	(11,893)	(8,162)	(11,360)	(47,595)
EBITDA	6,612	296	2,170	3,020	17,604
Depreciation	(2,099)	(638)	(1,803)	(1,499)	(1,499)
EBIT	4,513	(342)	366	1,521	16,104
Other income	565	385	67	94	425
Interest Exp.	(355)	(458)	(930)	(902)	(1,009)
Extra Ordinary Items -gain/(loss)	(2,445)	(1,327)	-	-	-
Reported PBT	2,278	(1,742)	(496)	712	15,521
Tax	(1,450)	303	125	(179)	(3,905)
Reported PAT	828	(1,439)	(371)	533	11,616
Minority Int./Profit (loss) From Asso. (323)	(174)	(182)	(192)	(201)	(201)
Net Profit	505	(1,613)	(554)	341	11,415
Adjusted PAT	2,950	(286)	(554)	341	11,415
Adjusted EPS (INR)	26.4	(2.6)	(5.0)	3.1	102.2

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	1,117	1,117	1,117	1,117	1,117
Reserves & Surplus	38,674	37,286	35,955	35,442	45,916
Networth	39,791	38,403	37,072	36,559	47,033
Debt	24,815	49,966	42,188	47,227	52,727
Minority Interest	1,156	480	480	480	480
Net deferred Tax liabilities	116	499	499	499	499
Capital Employed	65,879	89,348	80,239	84,765	1,00,740
Gross Fixed Assets	88,701	92,201	65,591	65,591	65,591
Accumulated Depreciation	(59,390)	(85,421)	(61,831)	(63,330)	(64,830)
Capital work in progress	581	494	494	494	494
Net Fixed Assets	29,892	7,274	4,253	2,754	1,255
Investments	14,944	18,211	18,211	18,211	18,211
Non Current Investments	12,118	14,084	14,084	14,084	14,084
Current Investments	2,827	4,126	4,126	4,126	4,126
Current Assets, Loans & Adv.	60,266	1,39,847	64,612	71,478	99,246
Inventory	47,258	89,434	54,460	59,353	74,866
Debtors	1,656	1,047	1,415	1,970	8,931
Cash & Bank balance	4,015	10,006	4,339	5,517	7,798
Loans & advances and others	7,337	39,360	4,398	4,638	7,651
Current Liabilities & Provisions	39,223	75,984	6,837	7,677	17,971
Liabilities	31,960	69,546	1,693	2,356	10,431
Provisions	7,263	6,439	5,145	5,321	7,540
Net Current Assets	21,043	63,863	57,775	63,801	81,274
Application of Funds	65,879	89,348	80,239	84,766	1,00,740

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	112	112	112	112	112
Diluted no. of shares (mn)	112	112	112	112	112
BVPS (INR)	356	344	332	327	421
CEPS (INR)	26	(7)	13	18	117
DPS (INR)	5.8	6.3	7.0	7.7	8.4

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,723	(1,924)	(496)	712	15,521
Depreciation & amortization	2,099	2,227	1,803	1,499	1,499
Interest expense	355	553	930	902	1,009
(Inc)/Dec in working capital	(9,231)	(14,194)	(22,958)	(4,848)	(15,193)
Tax paid	(1,450)	(966)	125	(179)	(3,905)
Less: Interest/Div. Income Recd.	(565)	(153)	(67)	(94)	(425)
Other operating Cash Flow	917	1,521	-	-	-
CF from operating activities	(3,153)	(12,936)	(20,664)	(2,007)	(1,494)
Capital expenditure	(1,184)	(2,861)	26,610	-	-
Inc/(Dec) in investments	(4,863)	(3,350)	-	-	-
Add: Interest/Div. Income Recd.	806	1,831	67	94	425
CF from investing activities	(5,241)	(4,380)	26,677	94	425
Inc/(Dec) in share capital	-	64	-	-	-
Inc/(Dec) in debt	14,438	25,012	(7,778)	5,040	5,500
Dividend Paid	(642)	(553)	(777)	(855)	(940)
Others	(1,074)	(2,338)	(1,112)	(1,094)	(1,210)
CF from financing activities	12,722	22,184	(9,667)	3,091	3,350
Net cash flow	4,327	4,869	(3,654)	1,178	2,281
Opening balance	(1,204)	3,123	7,993	4,339	5,517
Closing balance	3,124	7,993	4,339	5,517	7,798
cash credit facilities	891				
Bank balance		2,014			
Cash & Bank balance	4,015	10,007	4,339	5,517	7,798

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	17.8	(73.0)	(15.2)	39.2	353.4
EBITDA	16.3	(95.5)	633.2	39.2	483.0
Adj PAT	50.7	NM	NM	NM	3,242.9
Adj EPS	50.7	NM	NM	NM	3,242.9

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	68.9	(709.6)	(366.9)	595.0	17.8
P/BV (x)	5.1	5.3	5.5	5.6	4.3
EV/EBITDA (x)	33.4	807.7	109.2	79.7	13.9
EV/Sales (x)	4.9	19.6	22.9	16.7	3.7
Dividend Yield (%)	0.3	0.3	0.4	0.4	0.5

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	7.5	(0.7)	(1.5)	0.9	27.3
RoCE (%)	8.7	0.1	0.5	2.0	17.8
Asset/T.O (x)	1.0	0.2	0.2	0.2	0.9
Net Debt/Equity (x)	0.5	0.9	0.9	1.0	0.9
EBIT/Interest (x)	(14.3)	(0.1)	(0.5)	(1.8)	(16.4)

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	14.6	2.4	21.0	21.0	27.0
EBIT Margin (%)	10.0	(2.8)	3.5	10.6	24.7
PAT Margin (%)	6.5	(2.3)	(5.3)	2.4	17.4

Source: Company Antique