

CMP	: INR 2,029
Reco	: BUY ↔
Target Price	: INR 3,061 ↔
Target Price Change	: No Change
Target 1HFY28e embedded EV/EBITDA (x)	: 10
Sales booking change FY26/ 27	: No Change

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Market data

Sensex	:	82,184
Sector	:	Textiles
Market Cap (INR bn)	:	227.0
Market Cap (USD bn)	:	2.627
O/S Shares (mn)	:	111.7
52-wk HI/LO (INR)	:	3142/1638
Avg. Daily Vol ('000)	:	262
Bloomberg	:	ABREL IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	(5.0)	3.1	102.2
P/E (x)	(409.3)	663.7	19.9
P/BV (x)	6.1	6.2	4.8
EV/EBITDA (x)	120.0	87.5	15.2
Dividend Yield (%)	0.3	0.4	0.4

Source: Bloomberg

Returns (%)

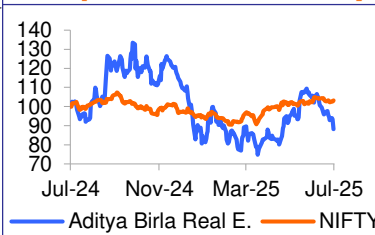
	1m	3m	6m	12m
Absolute	(16)	3	8	(11)
Relative	(16)	(0)	0	(13)

Source: Bloomberg

Shareholding pattern

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

Source: Bloomberg

Price performance vs Nifty**1QFY26 RESULT REVIEW**

Aditya Birla Real Estate

A soft quarter

Aditya Birla Real Estate (ABREL) reported a muted 1QFY26, marked by the absence of new launches and moderate sustenance sales. Pre-sales stood at INR 4,200 mn (-93%/ -61% QoQ/ YoY), falling short of our estimate, while collections came in at INR 5,500 mn, up 12% YoY. The company's flagship project, Birla Niyaara (Worli), contributed INR 606 mn in bookings, with similar contributions from other ongoing projects. Despite the slow start to the year, ABREL maintains a robust launch pipeline of INR 139 bn in GDV across its four focus geographies—MMR, NCR, Pune, and Bengaluru—lined up through the remainder of FY26; in addition, it has unsold inventory of around INR 60 bn. Management remains confident in Niyaara's demand trajectory, with Tower 3 launch planned for 2HFY26. While ABREL has not provided formal guidance for FY26, it is expected to double its pre-sales run-rate to INR 150 bn by FY28. We expect its business development momentum to gain traction in coming quarters. We maintain BUY rating with a target price of INR 3,061, based on 10x EV/embedded EBITDA on 1HFY28E estimates. Aditya Birla Real Estate remains our top pick.

1QFY26 in a nutshell

Real estate: Pre-sales value for the quarter was INR 4.2 bn (-93%/ 61% QoQ/ YoY) vs. *our estimate of INR 8.0 bn*. We expected higher sustenance sales from Birla Evara (Sarjapur, Bengaluru) and Birla Niyaara (Worli). Birla Niyaara sold INR 606 mn and similar contributions came from other ongoing projects. Collection for the quarter was INR 5.5 bn (-49%/ 12% QoQ/ Yoy). The company has a strong launch pipeline of INR 139 bn across four key regions (NCR, MMR, Pune, and Bengaluru) for the remaining three quarters in FY26. IFC invested INR 4.2 bn in two of ABREL's projects (Manjri and Thane) by acquiring 44% stake. **Paper:** Sold its paper business to ITC, pending regulatory approval. The deal is expected to be closed by December 2025. **Net debt:** INR 39.5 bn (INR 3.7 bn/ INR 10.4 bn QoQ/YoY). **Financial:** In 1QFY26, revenue was INR 1.5 bn (-63%/ -59% YoY/ QoQ); EBITDA INR -0.40 bn; adj. PAT INR -457 mn.

Capital backing in place for its ambitious growth plan

ABREL has strengthened its funding base through strategic equity partnerships, including INR 4.2 bn investment from IFC for its Thane and Manjri projects and INR 5.6 bn JV with Mitsubishi for a premium residential development in Bengaluru, with funds from both partners already received. In addition, the INR 34.98 bn paper business divestment is now expected to conclude by December 2025, though management emphasized that business development is not contingent on this inflow. The private equity deals are strategic in nature, with potential to extend across future projects. ABREL will earn ~6% DM fees and a promote, making these partnerships value-accretive beyond just capital infusion. The company's INR 150 bn annual pre-sales target by FY28 is well-supported by this capital framework and existing cash flow visibility of INR 73.5 bn from ongoing projects (ABREL's share).

Strong launch pipeline

ABREL has a well-structured launch pipeline of INR 139 bn in GDV lined up for the remainder of FY26, spread across nine projects totaling 7.8 mn sq. ft. of saleable area. The launches are distributed across its four core markets—MMR (INR 53 bn GDV), Pune (INR 36 bn), Bengaluru (INR 28 bn), and NCR (INR 22 bn). These include a mix of new project phases, first-time launches, and JV/ JDA projects. The launch strategy is aligned with regulatory approvals, market timing, and product readiness, setting the stage for a meaningful scale-up in pre-sales from 2HFY26. Key projects include the launch of Tower 3 at Birla Niyaara (Worli) likely to be launched towards end of 3Q or early 4Q.

Investment Summary

We continue to remain structurally positive on ABREL's growth prospects in the medium to long term. **ABREL is our top pick and we reiterate BUY with a TP of INR 3,061.** 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 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	1HFY28E
Sales booking (INR bn)	131
Embedded EBITDA margin	25%
Embedded EBITDA (INR bn)	33
EV/ EBITDAx	10
EV of residential (INR bn)	328
Commercial portfolio at cap rate of 7.5% INR bn)	19
Paper business sales (INR bn)	35
less: net debt (INR bn)	-39
Equity value (INR bn)	342
O/S shares (# mn)	112
TP	3,061

Source: Company, Antique

Table 2: NAV methodology

	INR mn
Commercial Leasing - Operational	18,571
Completed	2,034
Ongoing	33,034
Upcoming	144,702
Paper	34,980
Land Bank	4,533
Total EV (INR mn)	237,854
Less: net Debt	(39,459)
Add: PE infusion by IFC	4,200
NAV (INR mn)	202,595
no. of share (mn)	112
per share value (INR)	1,809

*We have excluded NOIDA project from our NAV calculation

	INR/share	Premium to NAV
NAV	1,809	0%
CMP	2,032	12%
TP	3,061	69%

Source: Company, Antique

Table 3: Quarterly snapshot – 1QFY26**Operational - real estate**

INR mn	1QFY26	4QFY25	1QFY25	QoQ %	YoY %	FY25
Sales booking	4,225	57,380	2,620	-92.64	61.26	80,870
Collection	5,453	10,730	4,880	-49.18	11.74	27,060
Leasing income	275	297	288	-7.41	-4.51	1,215

Financial**P&L**

Year ended	1QFY26	4QFY25	1QFY25	QoQ %	YoY %	FY25
Net Revenue	1,456	3,948	3,533	-63.13	-58.80	12,189
Op. Expenses	638	1,059	3,078			-11,893
EBITDA	(399)	(250)	455	na	na	296
Depreciation	155	158	161			638
EBIT	(554)	(409)	294			-342
Other income	119	130	120			385
Interest Exp.	71	115	110			-458
Extra Ordinary Items -gain/(loss)	-	(1,240)				-1,327
Reported PBT	(506)	(1,633)	304	na	na	-1,742
Tax	(58)	(419)	125			303
Minority Int./Profit (loss) From Asso.	9	14	175			-174
Net Profit	(255)	(1,310)	78	na	na	-1,613
Adjusted PAT	(457)	12	4	na	na	-286

Source: Company, Antique

Earnings Call Highlights**Pre-sales, guidance & market outlook**

- No specific FY26 pre-sales guidance has been given, due to uncertainty regarding approval delays and market timing uncertainties. However, the long term guidance of INR 150 bn annual pre-sales by FY28 is unchanged.
- 1QFY26 pre-sales were in line with expectations, given no new launches during the quarter and a strong offtake in 4QFY25.
- Management noted that the real momentum is expected to pick up during the festive season, and demand remains healthy for the right product at the right price.

Niyaara

- Confident that Niyaara will continue to see strong demand, including for the third tower launch slated for 3Q or 4Q, driven by solid walk-in interest, lead quality, and firm pricing.
- Third tower will be priced differently from the previous two towers; pricing is still under deliberation. Target customers include buyers from South Mumbai, other Indian cities, and NRIs from the Middle East, Singapore, the US, and the UK.
- 400 of 440 units in Niyaara Tower 1 have been sold; the remaining units will likely be sold closer to possession. In Niyaara Tower 2, 99 out of 148 units have been sold.
- Customer cancellations at Niyaara have been handled as per RERA guidelines, resulting in 10% forfeiture. Management also evaluates the reasons for cancellations carefully.
- Work on Century Bhavan is ongoing. The team is ensuring it does not clash with Niyaara's project timeline.

Other projects

- In Birla EVARA (Sarjapur), 50% of the launched inventory has been sold. A decision on launching the remaining towers will be based on market response.

- Manjri has received RERA approval and is expected to launch in late 2Q or early 3Q.
- The Thane project is progressing well and is scheduled to launch in 3QFY26.
- The Mathura Road project is seeing slow progress. It is not included in the FY26 pipeline, but the company remains hopeful.
- The NOIDA transaction is unlikely to close and management is not very hopeful on this front.
- Birla Punja has received RERA approval up to the 16th floor. A revised RERA application for entire project is currently in process.

Business development and land payments

- The company is on track to achieve INR 100–200 bn in GDV through business development.
- The team is actively pursuing redevelopment opportunities where ABREL has a strong advantage due to brand trust and execution capabilities, even if GDVs are relatively smaller.

Paper business divestment

- The paper business divestment is likely to close by December 2025.
- Importantly, business development efforts are not dependent on the timing of the paper divestment deal.

PE deals

- ABREL is not looking for partnerships in Worli for the residential segment, but is open to exploring partnerships in the commercial segment.
- The equity deals being entered into are for the long-term, with reputed global partners who provide both capital availability and have deep understanding of the real estate sector.
- These deals also allow ABREL to retain flexibility while meeting DM fee, promote, ESG goals, and future capital needs.
- Land payments for Manjri and Thane are not fully completed yet. This is part of ABREL's risk mitigation strategy, aimed at avoiding capital concentration in a few projects.
- The IFC deal does not restrict ABREL to affordable housing alone; it provides flexibility to develop a range of projects within the same platform.
- The Mitsubishi partnership brings in 6% DM fees and a promoter. Mitsubishi adds operational strength with 80+ years of global real estate experience.
- Private equity transactions typically take 12–18 months to complete. The current deals were initiated before the paper business divestment discussions began.

Focus

- ABREL continues to focus on four key cities: MMR, NCR, Bengaluru, and Pune. Other markets are being watched but are not an immediate priority.
- The company is committed to on-time delivery, safety, quality, and cost control. All current projects are progressing in line with timelines.

Rental assets

- Both rental assets are fully occupied. The reported dip in numbers is due to a transitional period during lease renewals.

Table 4: Project portfolio

Particulars	Ongoing			Upcoming		
	Saleable area mn sq. ft.	GDV INR bn	No. of projects	Saleable area mn 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 5: FY26 launch pipeline

Regions	Project	Location	Ownership	Stake	GDV launch (INR bn)	Launch area (mn sq. ft.)	Expected launch
Pune	Birla Evam	Manjri, Pune	Outright	100%	7.7	1.0	2QFY26
	Birla Punya	Wellesley Road	Outright	100%	22.9	1.3	2HFY26
MMR	Niyaara 3rd Tower	Worli	Outright	100%	44.3	0.7	2HFY26
	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	2HFY26
	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	2HFY26
Total					139.3	7.7	

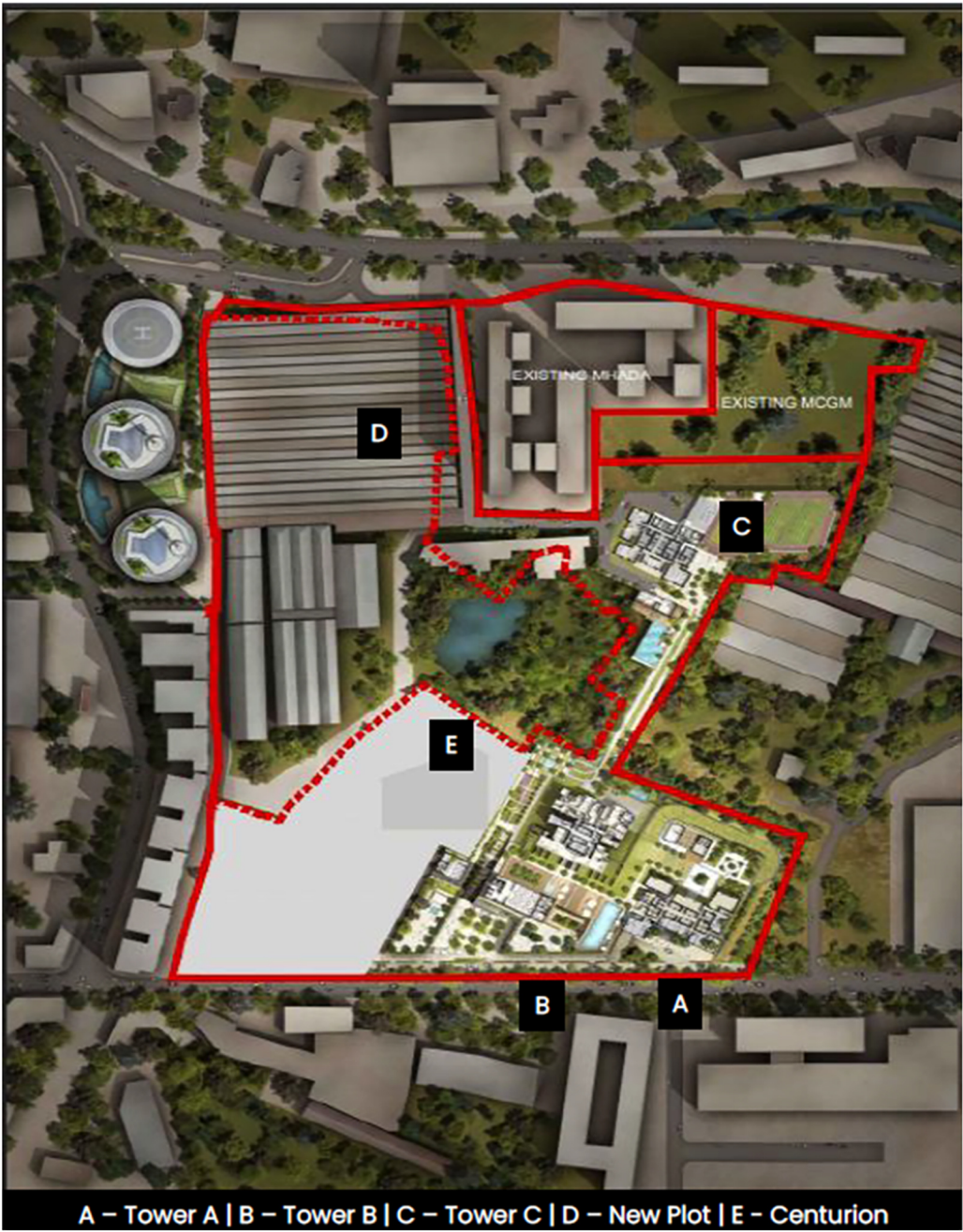
Source: Company, Antique

Table 6: Worli, Mumbai - Portfolio

	Area (mn sq. ft.)	Status
A	0.9	Niyaara; ongoing
B	0.9	Niyaara Silas; ongoing
C	0.7	3 rd Tower; launch in 2HFY26
Total	2.5	
D	2.6	New plot (Wadia)
Future office	1.3	yet to be launched
Worli West	0.4	yet to be launched
Century Bhavan	0.4	yet to be launched
Grand total	7.2	

Source: Company, Antique

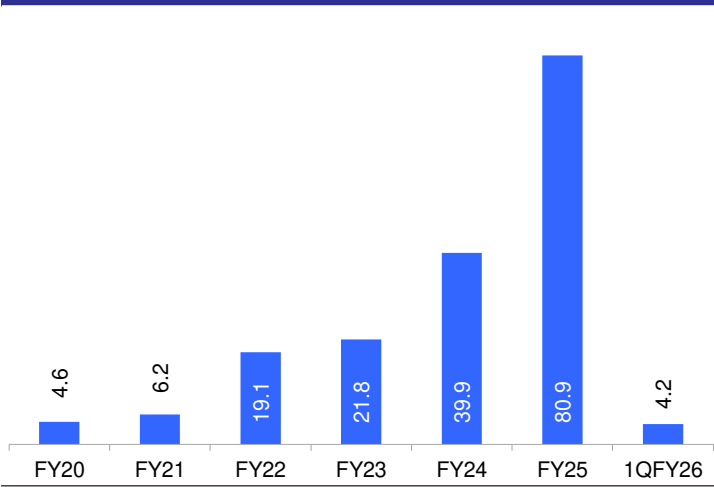
Exhibit 1: An image of the Worli East plot (doesn't include Century Bhavan + Worli West plot)



Source: Company, Antique

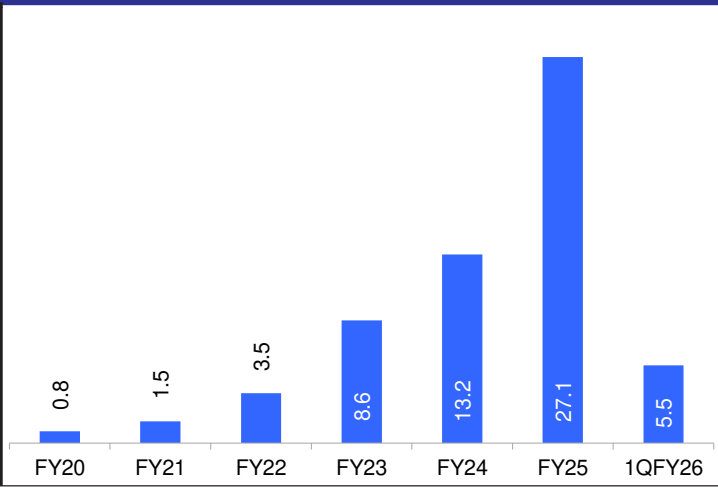
Story in Charts

Exhibit 2: Muted 1Q pre-sales (INR bn)



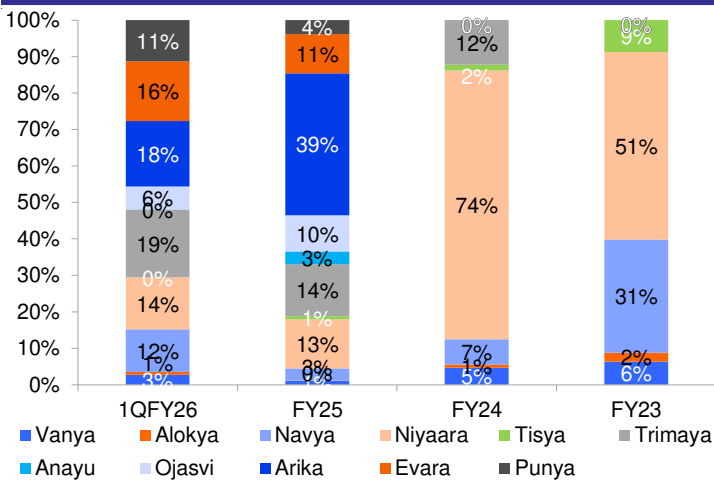
Source: Company, Antique

Exhibit 3: Collection growth to continue (INR bn)



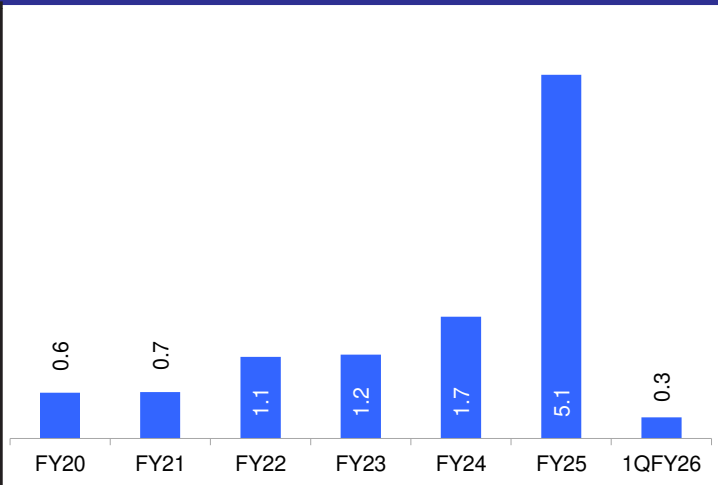
Source: Company, Antique

Exhibit 4: Project contribution



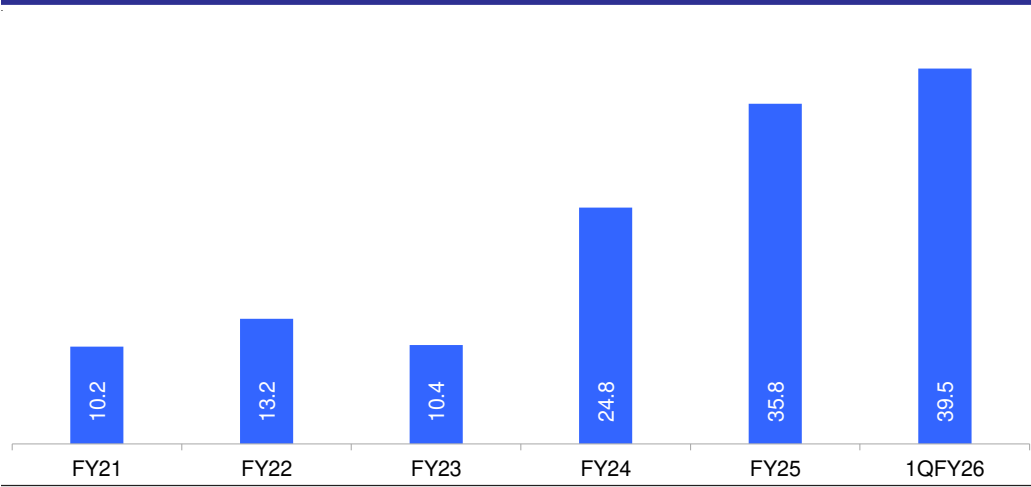
Source: Company, Antique

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



Source: Company, Antique

Exhibit 6: Net debt (INR bn)



Source: Company, Antique

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)	76.8	(791.5)	(409.3)	663.7	19.9
P/BV (x)	5.7	5.9	6.1	6.2	4.8
EV/EBITDA (x)	37.0	887.0	120.0	87.5	15.2
EV/Sales (x)	5.4	21.5	25.2	18.4	4.1
Dividend Yield (%)	0.3	0.3	0.3	0.4	0.4

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