

Aditya Birla Real Estate: Strong Absorption of New Launches

BUY

May 07, 2026 | CMP: INR 1,550 | Target Price: INR 1,880

Expected Share Price Return: 21.3% | Dividend Yield: 0.2% | Potential Upside: 21.5%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✗

Company Info

BB Code	ABREL IN EQUITY
Face Value (INR)	10
52-week High/Low (INR)	2,535/1,080
Mkt Cap (INR Bn)	INR 169.27 / \$1.77
Shares o/s (Mn)	111.7
3M Avg. Daily Volume	2,87,340

Change in CIE Estimates

INR Mn	FY27E			FY28E		
	New	Old Dev (%)		New	Old Dev. (%)	
Pre-sales (Value)	72,666	69,562	4.5	1,57,456	1,38,125	14.0
Pre-sales (Volume)	3.0	3.0	(1.6)	4.0	3.9	0.0
Collection	31,308	32,371	(3.3)	77,047	66,963	15.1

Key Financials

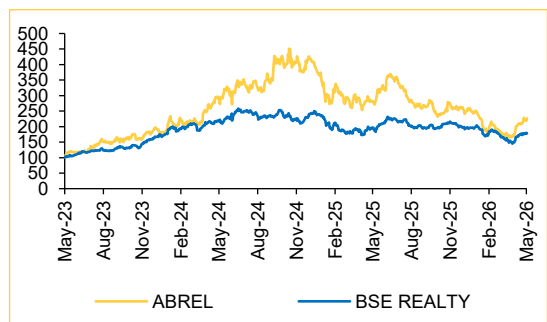
INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	12,189	4,072	5,089	40,805	68,938
YoY (%)	10.7	(66.6)	25.0	701.9	68.9
EBITDA	680	(3,072)	655	5,263	11,415
YoY (%)	(76.6)	(551.5)	(121.3)	704.0	116.9
RPAT	(1,487)	(3,381)	5,913	3,010	7,635
ROE (%)	(3.8)	(9.1)	13.9	6.7	14.6
ROCE (%)	0.0	(4.0)	(0.1)	6.6	14.5

Shareholding Pattern (%)

	Mar-26	Dec-25	Sep-25
Promoters	50.21	50.21	50.21
FIs	9.04	8.96	9.11
DIs	16.40	16.90	16.43
Public	22.89	23.22	22.91

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Realty	73.4	(18.9)	(9.3)
ABREL	(19.1)	(22.0)	112.8



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Initiating Coverage Report

Pre-sales Momentum Continues; Profitability Affected by Lower Deliveries & Higher One-off Other Expenses

Aditya Birla Real Estate (ABREL) delivered robust pre-sales at INR 428.8 Mn, which was **11.4% higher than 9MFY26 pre-sales of INR 38,481 Mn, with 4 new launches contributing ~85%**. The four launches are: Birla Arika phase 2 in Gurugram (97% sold out), Birla Trimaya phase 4 in Bengaluru (85% sold out), Birla Taranya in Thane launched at Q4-end (44% sold out) and Birla Punya phase 2 in Pune (35% sold out). Sustenance sales were strong in this quarter; Birla Evam in Bengaluru and Birla Niyaara in Worli jointly contributed ~15% to Q4FY26 pre-sales.

Sustainable Growth with Strong Pre-sales & Launch Pipeline

ABREL has materially **strengthened its development pipeline to over INR 700 Bn GDV (34.7 msf)**, spanning **INR 318 Bn (20.0 msf) of ongoing and INR 421 Bn (14.0 msf) of upcoming projects**. The company has a well-diversified presence across high-growth markets, led by **MMR (~61%), followed by NCR (~19%), then Bengaluru (~12%) and Pune (~8%)**. ABREL is also scaling up its Grade-A commercial portfolio, which is anchored by operational assets: **Birla Centurion (0.32 msf) and Birla Aurora (0.26 msf)**, alongside ~2 msf of upcoming commercial tower.

Positioning in Premium Real Estate Segment with Brand Moat

ABREL benefits from **Aditya Birla Group's strong brand equity** and governance standards, thus **reinforcing customer trust and premium positioning**.

Strategic Capital Deployment and Scalable Asset-light Model

CCI's approval of the slump sale of Century Pulp & Paper business **worth INR 34.98 Bn** to ITC marks a pivotal balance sheet inflection, with the proceeds earmarked for **material deleveraging and growth**.

Valuation and View

We maintain our **'BUY'** recommendation on ABREL and target price of **INR 1,880/sh (unchanged)**, which is an upside of **21.5%**, employing a SOTP valuation framework.

Key Risks

A possible broad-based slowdown in the domestic economy and regulatory procedures. Additionally, reliance on JDA structure risks partner alignment.

ABREL Valuation Summary	NAV Per Share
Residential Value from Ongoing Projects	2,54
Commercial Rental	106
Total EV	2,271
Less Total Debt (FY26E)	505
Add: Cash and Cash Eqv	125
SOTP Valuation	1,880
CMP	1,550
Upside (%)	21.3

Quarterly Performance

- Pre-sales (value) came in at INR 42,882 Mn, up 69.1% QoQ and down 25.3% YoY (on a high base)
- Pre-sales (volume) came in at 3.0 msf, up 76.5% QoQ and down 9.6% YoY (on a high base)
- Average price realisation (INR psf) was INR 14,294, down 4.2% and 17.3%, respectively
- Collection was INR 9,937 Mn, down 23.0% and 7.4% QoQ and YoY

ABREL Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Presales (Value)	42,882	57,377	(25.3)	25,361	69.1
Presales (Volume)	3.0	3.3	(9.6)	1.7	76.5
Collection	9,937	10,729	(7.4)	12,899	(23.0)
Average Price Realisation (INR Psf)	14,294	17,282	(17.3)	14,918	(4.2)
Revenue from Operations	826	3,948	(79.1)	812	1.8
EBITDA (including OI)	(1,445)	(120)	NA	(799)	NA
RPAT from continuing operations	(1,103)	(1,270)	NA	(1,074)	NA
Basic EPS (INR)	(9.5)	(11.5)	NA	(9.5)	NA

Source: ABREL, Choice Institutional Equities

Management Call – Highlights

Macro Environment:

- Residential demand remains stable with luxury and premium segments clearly outperforming its affordable housing segment. No evidence of a slowdown seen in new launches and sustenance sales.

Operations:

- First luxury redevelopment project launched in Khar West with potential GDV of INR 16,312 Mn and 0.3 msf of saleable area. The management is evaluating multiple additional opportunities in Mumbai
- Collection to be strong going forward, with strong absorption of four new launches in Q4FY26 to contribute meaningfully to Q1FY7 collection. **The management mentioned that collection remained healthy in April 2026**
- Collections remain healthy with ~98% efficiency**, while most projects continue to follow construction-linked payment plans
- Bengaluru continues to perform strongly**, supported by sustained demand in Trimaya and Evana, though focus in FY27E will shift more towards business development
- There is a growing interest in **senior living projects**, especially at the Talegaon land parcel, citing strong long-term demand potential. Although the Talegaon land parcel is agriculture land, hence it is not ready for any development at this stage
- On Middle East Conflict: Management seeing manageable impact on margins as availability is not an issue but logistic and transportation is the issue

Collection to be strong going forward, with health collection seen in April 2026

Launches:

- Launch pipeline remains robust, with ~INR 90 Bn of new launches and ~INR 70 Bn of sustenance inventory planned for FY27E**, though management refrained from formal guidance due to approval uncertainty
- Niyaara tower C, which is a major GDV contributor is likely to be launched in Q2 or Q3FY27
- Birla Navya and Evam to be launched in Q3FY27 and Q4FY27, respectively
- The Mathura Road project is planned to be launched in New Delhi next year

Robust FY27E pipeline with ~INR 90 Bn launches and ~INR 70 Bn sustenance inventory planned

Niyaara Tower C should be launched in Q2/Q3 FY27E

Mathura project to be launched in CY27

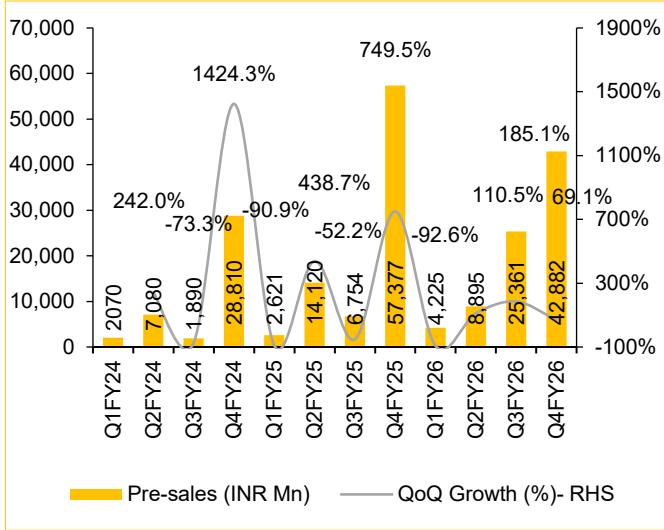
Guidance and Business Development :

- ABREL has a **~INR-600 Bn bid pipeline under evaluation**, with ~INR 350 Bn concentrated in MMR. The management remains selective and disciplined on approvals, due diligence, and IRR thresholds
- The management reiterated focus on **premium/luxury housing**, where demand remains robust, while mid-income demand has softened
- Business development of INR 150 Bn could spill over to FY29E
- Commercial real estate expansion is under way, with planned office developments in Worli (1.3 msf) and a **~0.5 msf commercial opportunity in Thane**

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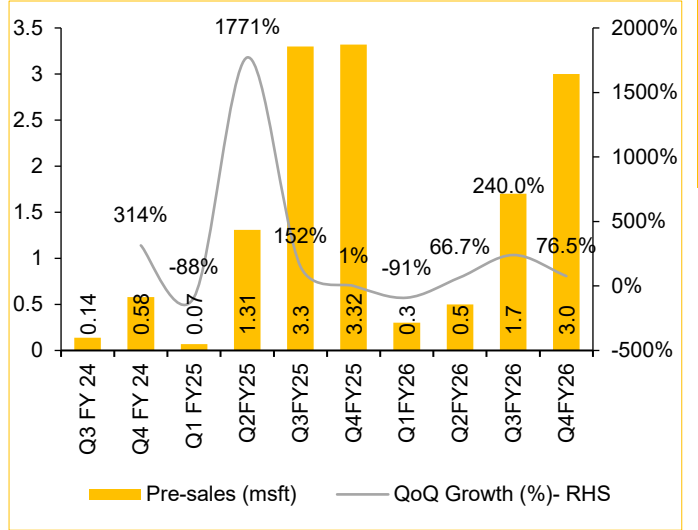
Commercial development of 0.5 msf to happen in Thane

Pre-sales (INR Mn) up 69.1% QoQ and down 25.3% YoY



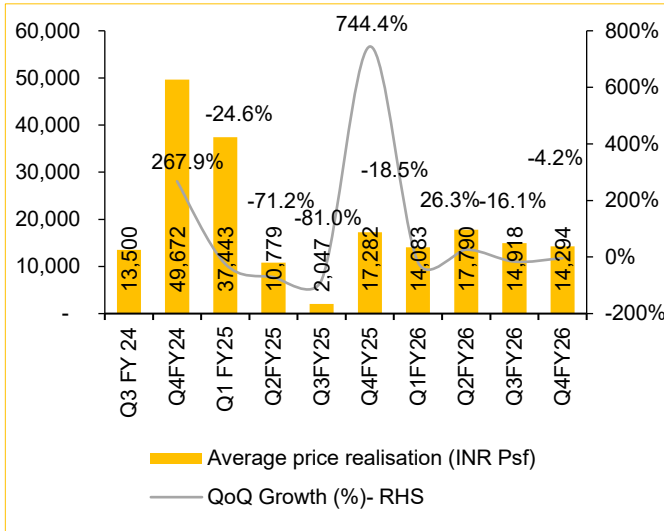
Source: ABREL, Choice Institutional Equities

Pre-sales (msf) up 76.5% QoQ and down 9.6% YoY



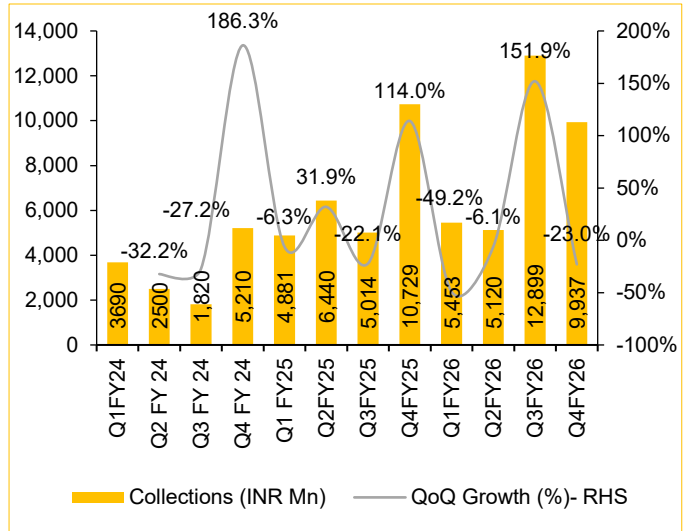
Source: ABREL, Choice Institutional Equities

Average price realisation down 4.2% QoQ and 17.3% YoY



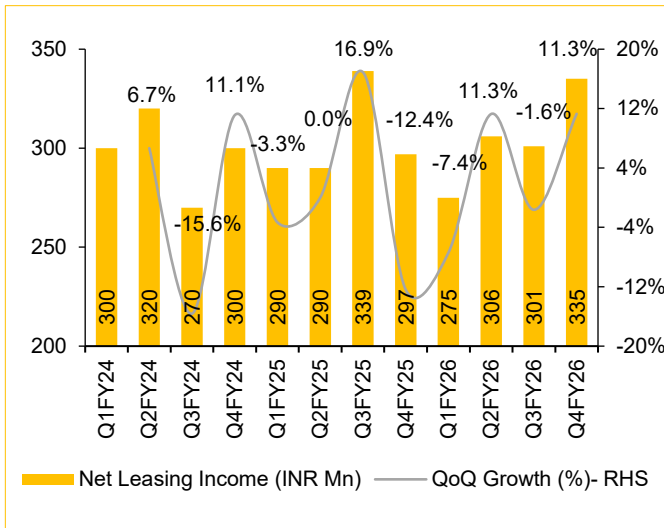
Source: ABREL, Choice Institutional Equities

Collections down 23.0% QoQ and 7.4% YoY



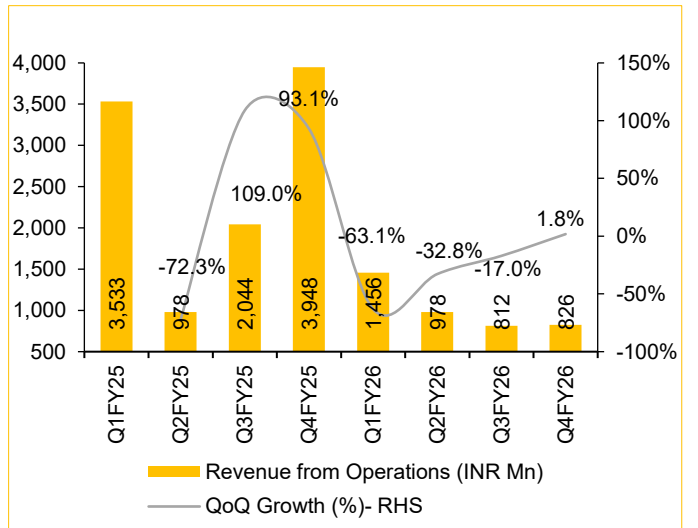
Source: ABREL, Choice Institutional Equities

Net leasing income up 11.3% QoQ and 12.8% YoY



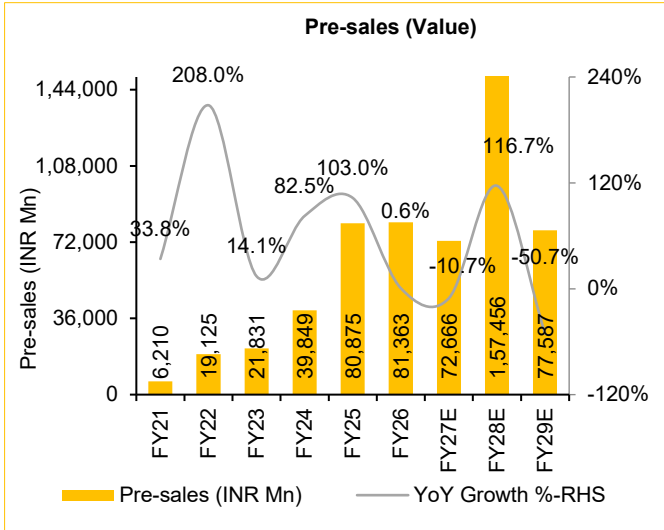
Source: ABREL, Choice Institutional Equities

Revenue from operations up 1.8% QoQ and down 79.1% YoY



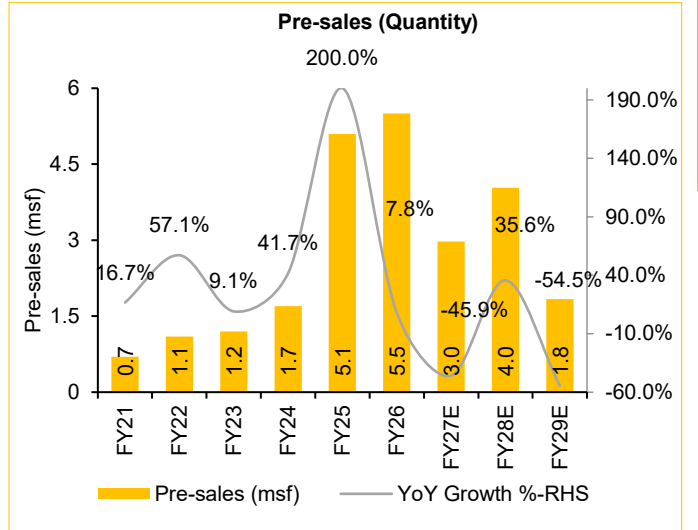
Source: ABREL, Choice Institutional Equities

Pre-sales (Value) to vary with launches



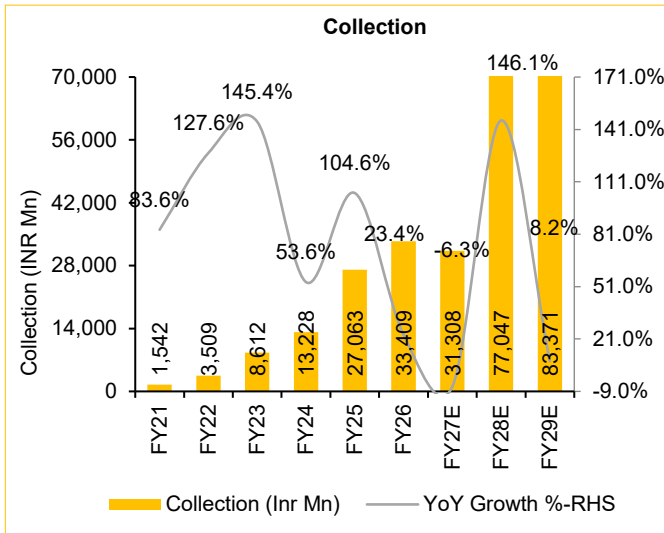
Source: ABREL, Choice Institutional Equities

FY26–FY29E: Pre-sales (Vol.) to increase meaningfully in FY29E



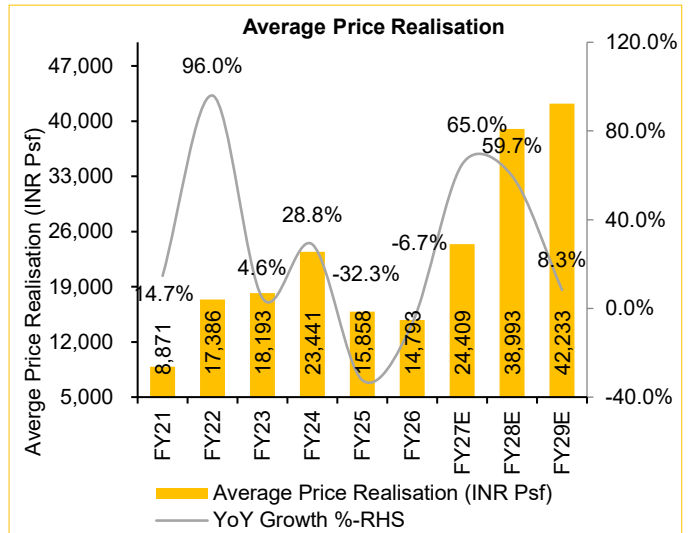
Source: ABREL, Choice Institutional Equities

FY26–FY29E: Collection forecast to grow at 35.6% CAGR



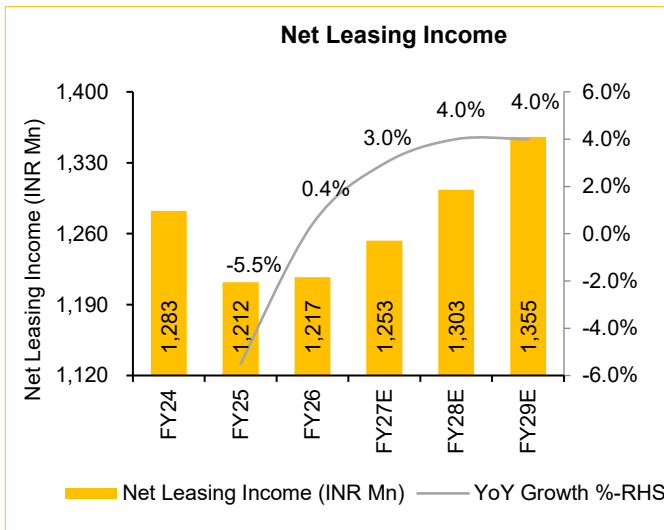
Source: ABREL, Choice Institutional Equities

Realisations to improve with a higher mix of premium launches



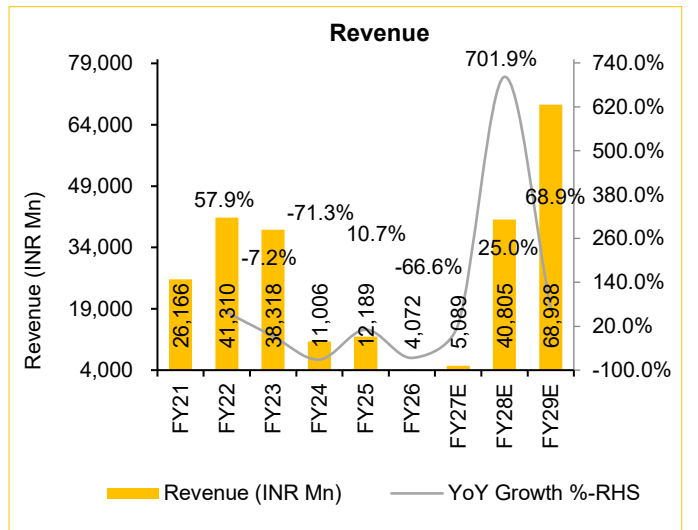
Source: ABREL, Choice Institutional Equities

Net leasing income to grow at a steady rate



Source: ABREL, Choice Institutional Equities

Revenue recognition will depend on project delivery timelines



Source: ABREL, Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	12,189	4,072	5,089	40,805	68,938
Gross profit	1,287	2,381	2,137	19,587	35,848
EBITDA	680	(3,072)	655	5,263	11,415
Depreciation	638	675	739	799	827
EBIT	42	(3,747)	(85)	4,464	10,588
Interest expense	458	644	484	318	276
Other income	385	520	546	573	602
PBT	(1,790)	(4,771)	7,885	4,013	10,180
RPAT	(1,487)	(3,381)	5,913	3,010	7,635
APAT	(979)	(1,586)	5,913	3,010	7,635
EPS	(13.5)	(29.5)	52.9	26.9	68.4

Ratio Analysis

Particular	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios					
Revenue (%)	10.7	(66.6)	25.0	701.9	68.9
EBITDA (%)	(76.6)	(551.5)	(121.3)	704.0	116.9
PAT (%)	NA	127.3	NA	(49.1)	153.7
Margin ratios					
EBITDA margins (%)	5.4	(66.9)	11.6	12.7	16.4
PAT Margins (%)	(11.8)	(73.6)	105.0	7.3	11.0
Profitability Ratios					
RoE %	(3.8)	(9.1)	13.9	6.7	14.6
ROCE	0.0	-4.0	-0.1	6.6	14.5
ROIC(Pre tax) %	0.0	(4.0)	(0.1)	6.6	14.5
Financial Leverage					
OCF/EBITDA (X)	(19.0)	(2.4)	2.5	1.9	0.0
OCF/IC (%)	(14.6)	8.0	2.1	14.8	0.1
Debt/Equity	1.3	1.5	0.8	0.5	0.4
Interest Cover (x)	0.1	(5.8)	(0.2)	14.0	38.4
Working Capital					
Inventory	2,678	14,228	9,915	6,871	1,013
Debtors	993	214	117	170	1,299
Payables	248	1,001	593	302	237
Valuation metrics					
Fully diluted shares (Mn)	111	112	112	112	112
Price (Rs)	1,580	1,580	1,580	1,580	1,580
Market cap (INR Bn)	174.71	176.47	176.47	176.47	176.47
EV (INR Bn)	214.67	218.85	185.10	176.89	178.67
PE(x)	(117.4)	(53.5)	29.8	58.6	23.1
EV/EBITDA (x)	315.5	(71.2)	282.8	33.6	15.7
Book value (Rs/share)	351.6	331.2	381.6	403.6	467.0
Price to BV (x)	4.5	4.8	4.1	3.9	3.4

Source: ABREL, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

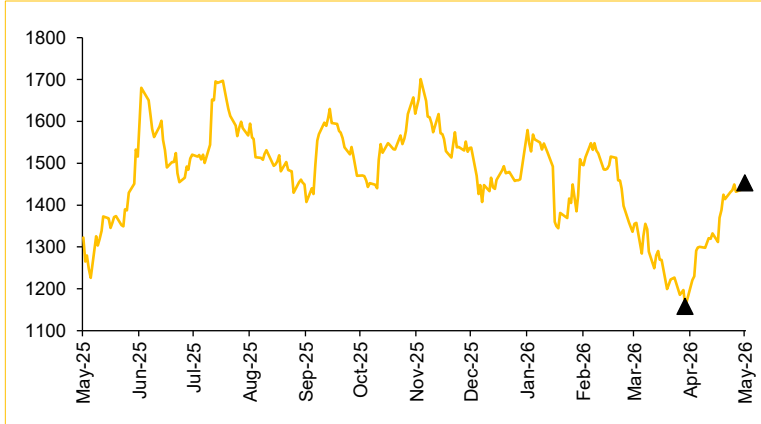
Particular	FY25	FY26	FY27E	FY28E	FY29E
Net worth	38,883	36,992	42,626	45,078	52,154
Lease liabilities	-	-	-	-	-
Total debt	49,965	56,365	34,703	22,720	20,923
Other liabilities & provisions	5,193	4,875	5,326	5,326	5,326
Liabilities directly associated with assets held for sale	5,141	4,017	-	-	-
Total Net Worth & liabilities	99,182	1,02,249	82,655	73,123	78,403
Net fixed assets	6,713	6,209	8,456	9,261	10,050
Capital work in progress	242	176	446	446	446
Investment property	7,594	7,364	7,083	6,777	6,472
Intangible assets	89	98	91	90	87
Investments	6,721	5,295	5,295	5,295	5,295
Cash & bank balance	10,006	13,988	26,072	22,298	18,720
Loans & advances & other assets	3,786	6,679	6,679	6,679	6,679
Net current assets	44,285	46,018	54,606	44,577	49,374
Assets classified as held for sale	29,754	30,410	-	-	-
Total Assets	99,182	1,02,249	82,655	73,123	78,403
Capital employed	88,848	93,357	77,329	67,797	73,077
Invested capital	88,848	93,357	77,329	67,797	73,077
Net debt	39,959	42,377	8,630	421	2,203
FCFF	(15,795)	5,348	(473)	7,097	(1,212)

Cash Flows (Consolidated in INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Cash flows from operations	(12,934)	7,472	1,651	10,065	85
Cash flows from investing	(4,380)	(5,877)	32,013	(1,297)	(1,308)
Cash flows from financing	22,184	2,986	(21,942)	(12,541)	(2,356)

Source: ABREL, Choice Institutional Equities

Historical Price Chart: ABREL



Date	Rating	Target Price
April 30, 2026	BUY	1,880
May 07, 2026	BUY	1,880

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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