

We downgrade Aditya Birla Real Estate (ABREL) to ADD from Buy, while maintaining TP at Rs1,750, based on 6x EV/embedded EBITDA, at a 28% premium to NAV (currently, the stock is trading at 16% premium to the NAV). With muted business development in FY26, ABREL has limited pipeline for launches in FY27 and FY28 and, thus, limited upside potential. Pre-sales performance was strong in Q4FY26, at Rs42.9bn (53% of total sales in FY26). FY26 pre-sales totaled Rs81.4bn (1% YoY) vs our estimate of Rs83.6bn. Collections too improved significantly in FY26, to Rs33.4bn (23% YoY), and ABREL expects to see upward movement going forward. With a limited launch pipeline of Rs96bn and unsold inventory of Rs72bn for FY27, we expect pre-sales to be flat at Rs80-84bn in FY27E. With business development yet to gain traction, we expect ABREL to miss its FY28 pre-sales guidance of Rs150bn. Key monitorables are business development and launch of Niyara Phase-3.

Q4FY26 – strong numbers

Pre-sales for the quarter stood at Rs42.9bn (53% of total sales in FY26). FY26 pre-sales totaled Rs81.4bn (+1% YoY) vs our estimate of Rs83.6bn. Five projects launched in Q4FY26 received a strong response, contributing 82% to total pre-sales in Q4FY26. Collections in Q4 were healthy, at Rs10.0bn (-7% YoY). FY26 collections totaled Rs33.4bn (+23% YoY).

FY27 pre-sales to be flat

ABREL has unsold inventory of Rs72bn and launch pipeline of Rs96bn (including Niyara + Khar, uber luxurious projects), comprising 68% of GDV. Thus, if we assume 50% absorption (optimistic scenario), we expect pre-sales of Rs84bn in FY27E.

Strong pipeline of business development in FY27 key for FY28E growth

Business development has been muted, with only one deal (GDV of Rs17bn) closed in FY26 compared with GDV guidance of Rs150bn for FY26. Currently, the company has a strong pipeline of business development, with GDV of Rs600bn across Noida, Gurugram, MMR (GDV of ~Rs350bn), Pune, and Bengaluru. Closing these deals sooner would ensure a solid launch pipeline for FY28. Earlier, FY28 pre-sales guidance was Rs150bn. However, the company believes this is subject to the pace of business development, and the target may roll over to FY29.

Valuation – limited upside at current level

We expect flat growth in FY27E, and FY28E growth to depend on business development in FY27, which remained muted in FY26. Hence, we believe the stock has limited upside potential. We maintain FY27E/FY28E pre-sales at Rs84bn/Rs118bn, respectively, along with a conservative 25% EBITDA margin and 6x EV/embedded EBITDA. The company currently trades at a 16% premium to NAV.

Target Price – 12M	Sep-26
Change in TP (%)	NA
Current Reco.	ADD
Previous Reco.	BUY
Upside/(Downside) (%)	10.3

Stock Data	ABREL IN
52-week High (Rs)	2,538
52-week Low (Rs)	1,080
Shares outstanding (mn)	111.7
Market-cap (Rs bn)	177
Market-cap (USD mn)	1,880
Net-debt, FY27E (Rs mn)	11,964.4
ADTV-3M (mn shares)	0.3
ADTV-3M (Rs mn)	415.8
ADTV-3M (USD mn)	4.4
Free float (%)	49.8
Nifty-50	24,326.7
INR/USD	94.3

Shareholding, Mar-26

Promoters (%)	50.2
FPIs/MFs (%)	9.0/16.4

Price Performance

(%)	1M	3M	12M
Absolute	34.0	17.3	(16.3)
Rel. to Nifty	27.4	23.9	(16.0)

1-Year share price trend (Rs)



Aditya Birla Real Estate: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	45,135	12,189	4,072	16,000	47,001
EBITDA	6,612	296	(3,592)	402	12,118
Adj. PAT	2,950	(286)	(3,017)	(1,518)	7,463
Adj. EPS (Rs)	26.4	(2.6)	(27.0)	(13.6)	66.8
EBITDA margin (%)	14.6	2.4	(88.2)	2.5	25.8
EBITDA growth (%)	16.3	(95.5)	0	0	2,912.1
Adj. EPS growth (%)	50.7	0	0	0	0
RoE (%)	7.5	(0.7)	(8.0)	(4.2)	19.0
RoIC (%)	5.8	(0.1)	(4.5)	(1.6)	19.3
P/E (x)	350.6	(109.8)	(171.6)	(116.7)	23.7
EV/EBITDA (x)	29.5	659.4	(54.3)	485.0	16.1
P/B (x)	4.5	4.6	4.8	5.0	4.1
FCFF yield (%)	(1.4)	(8.1)	2.7	11.0	2.7

Source: Company, Emkay Research

Biplab Debbarma

biplab.debbarma@emkayglobal.com
+91-22-66121344

Tanishk Khinvasra

tanishk.khinvasra@emkayglobal.com
+91

Concall KTAs

Market commentary

- The Bengaluru market remains strong and favorable.
- The NCR market saw a decrease in supply, but growth in absorption and price.
- The MMR market is resilient.

Guidance

- No pre-sales guidance provided for FY27.
- FY28 pre-sales guidance of Rs150bn given earlier may move to FY29, depending on pace of business development.

Launches for FY27

- Birla Niyaara launch is expected in Q2/Q3. Discussions with channel partners are ongoing.
- Thane, Navya (NCR), and Punya (Pune) launches expected in Q3.
- Evam (Pune) and Khar (MMR) launches in Q4. Demolition at Khar for the redevelopment project has commenced.

Business development

- The company has a healthy pipeline of Rs600bn across Noida (outright), Gurugram (JDA), MMR (JDA, outright, and 4-5 redevelopment projects), Pune (outright), Bengaluru (outright, JDA), and MMR (GDV of Rs350bn).

Launches of last phases of Trimaya and Arika

- Both projects are sold out, but remaining towers will not be launched in FY27.
- Arika: With no supply in the neighborhood and 6 towers of Arika sold out within a year, ABREL intends to make Tower 7 uber premium and unique.
- Trimaya – with all the phases so far sold out, the last phase will be launched later. Focus is on execution now.

Land bank

- Talegaon and Kalyan land: Talegaon land bank is agricultural, and needs to be converted. ABREL is exploring senior living due to proximity to AB Hospital. No plans for Kalyan land bank yet.

Commercial

- Worli: Project is at design stage, with area of 1.3msf. ABREL is attempting to commence construction.
- Thane: Design of commercial office of 0.5msf is ongoing. ABREL will do partial lease and/or strata sales.
- ABREL is looking for commercial development outside Thane and Worli.

Paper business sale

- ABREL received CCI approval. Some state-level approvals are pending, expected to conclude in Q1.

Exhibit 1: FY27 launch pipeline

Pipeline for FY27	City	Location	GDV (Rs bn)	Area (msf)
Birla Niyaara (Tower C)	MMR	Worli	48.7	0.7
Birla Taranya	MMR	Thane	13.8	1.1
Khar redevelopment	MMR	Khar	16.3	0.3
Birla Navya	NCR	Sec-63	7.1	0.3
Birla Punya	Pune	Wellesley Road	5.8	0.3
Birla Evam	Pune	Manjri	4.3	0.5
Total			96.0	3.3

Source: Company, Emkay Research

Exhibit 2: Total project portfolio

Region	Projects	Ownership	Economic Interest %	Estimated GDV (Rs bn)	Total Saleable Area (msf)
	Ongoing Projects Pre FY27 (A)			317.5	20
	FY27 Pipeline (B)			95.9	3.3
Mumbai	Birla Taranya	Outright	56%	69.4	3.9
Mumbai	Worli – New Plot	Own	100%	148.7	2.6
Mumbai	Worli West	Own	100%	27.0	0.4
Bengaluru	Birla Trimaya	Profit Share	47%	8.2	0.6
NCR	Birla Arika	Revenue Share	58%	12.0	0.3
NCR	Mathura Road	Revenue Share	64%	34.4	1.5
Pune	Birla Evam	Outright	56%	16.1	1.6
Pune	Birla Punya	Outright	100%	9.3	0.4
	Future Pipeline (C)			325.1	11.3
	Total Portfolio (A+B+C)			738.5	34.6

Source: Company, Emkay Research

Exhibit 3: SOTP-based valuation using EV/embedded EBITDA multiple for residential segment

Embedded EV/EBITDA	FY28E	Comments
Sales booking (Rs bn)	116	
Embedded EBITDA margin	25%	Current embedded EBITDA margin at 25-30%
Embedded EBITDA (Rs bn)	29	
EV/EBITDA (x)	6	
EV of residential (Rs bn)	174	
Commercial portfolio at cap rate of 7.0% (Rs bn)	19	Rental income of Rs1.2bn in FY26
Sale of paper business (Rs bn)	35	Deal to conclude in Q1FY27
less: net debt (Rs bn)	-32	
Equity value (Rs bn)	196	
Number of o/s shares (mn)	112	
TP (Rs)	1,750	

Source: Company, Emkay Research

Exhibit 4: NAV

Completed projects	1,410
Ongoing projects (Rs bn)	22,580
Forthcoming projects (Rs bn)	1,03,500
Rental assets (Arora+Centurion) (Rs bn)	18,571
Sales of paper business (Rs bn)	34,980
Land (Talegaon) (Rs bn)	4,533
Sub-total (Rs bn)	1,85,574
<i>Less: net debt (Rs bn)</i>	<i>(32,040)</i>
Total NAV (Rs bn)	1,53,534
Number of o/s shares (mn)	112
NAV (Rs/share)	1,371

Source: Company, Emkay Research

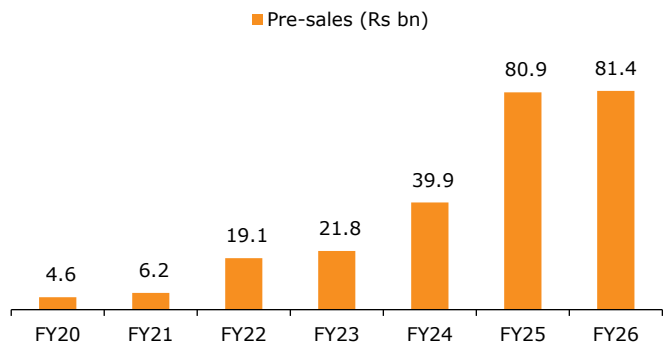
Exhibit 5: The stock is trading at 16% premium to NAV

	Rs/share	Premium to NAV
NAV	1,371	0%
CMP	1,586	16%
TP	1,750	28%

Source: Company, Emkay Research

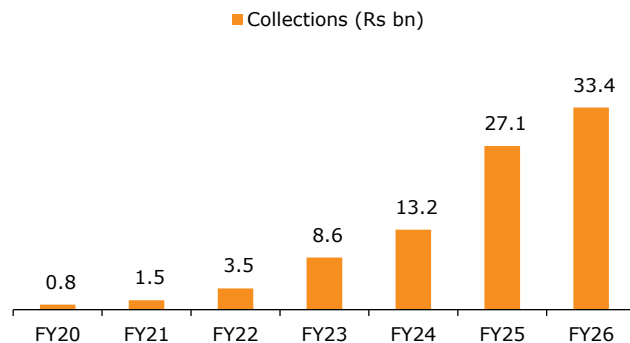
Story in charts

Exhibit 6: Annual pre-sales



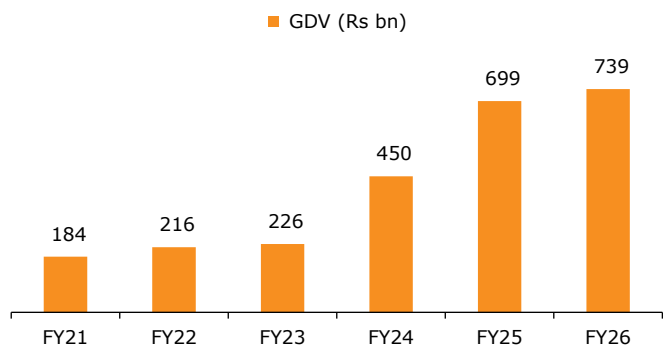
Source: Company, Emkay Research

Exhibit 7: Annual collections



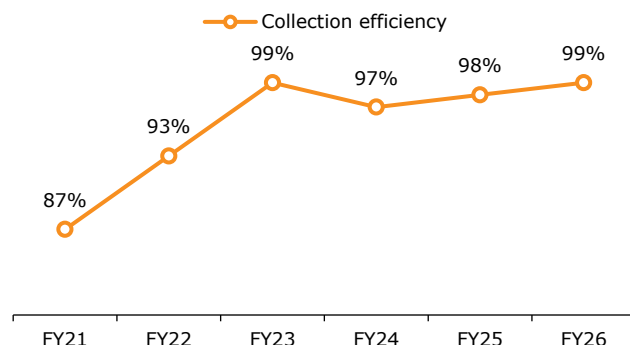
Source: Company, Emkay Research

Exhibit 8: Annual GDV



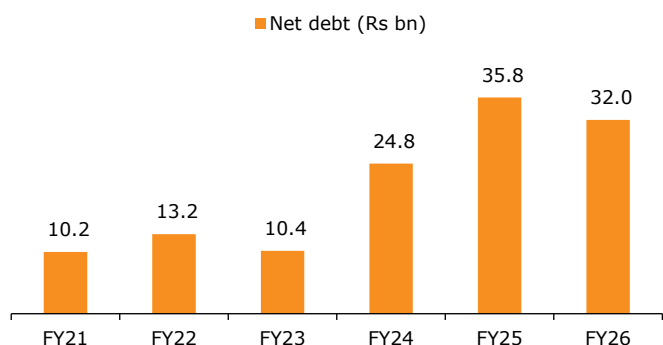
Source: Company, Emkay Research

Exhibit 9: Collection efficiency



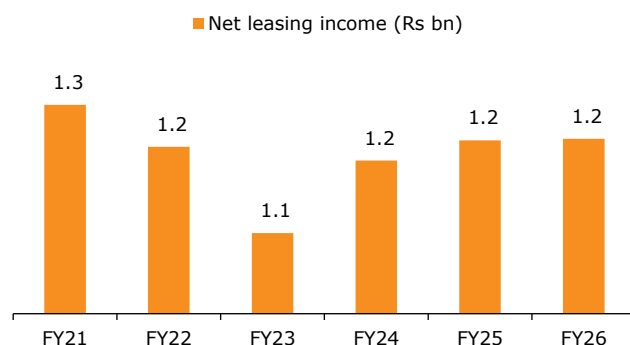
Source: Company, Emkay Research

Exhibit 10: Net debt



Source: Company, Emkay Research

Exhibit 11: Annual net leasing income



Source: Company, Emkay Research

Aditya Birla Real Estate: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	45,135	12,189	4,072	16,000	47,001
Revenue growth (%)	17.8	(73.0)	(66.6)	292.9	193.8
EBITDA	6,612	296	(3,592)	402	12,118
EBITDA growth (%)	16.3	(95.5)	0	0	2,912.1
Depreciation & Amortization	2,099	638	675	1,513	1,513
EBIT	4,513	(342)	(4,267)	(1,111)	10,605
EBIT growth (%)	21.1	0	0	0	0
Other operating income	2,496	155	34	264	776
Other income	565	385	520	104	307
Financial expense	355	458	644	1,000	917
PBT	4,723	(415)	(4,391)	(2,007)	9,995
Extraordinary items	(2,445)	(1,327)	1,985	0	0
Taxes	1,450	(303)	(1,390)	(505)	2,515
Minority interest	(323)	(174)	(16)	(16)	(17)
Income from JV/Associates	-	-	-	-	-
Reported PAT	505	(1,613)	(1,032)	(1,518)	7,463
PAT growth (%)	(81.4)	0	0	0	0
Adjusted PAT	2,950	(286)	(3,017)	(1,518)	7,463
Diluted EPS (Rs)	26.4	(2.6)	(27.0)	(13.6)	66.8
Diluted EPS growth (%)	50.7	0	0	0	0
DPS (Rs)	5.8	5.0	2.0	0	0
Dividend payout (%)	127.1	(34.3)	(21.5)	0	0
EBITDA margin (%)	14.6	2.4	(88.2)	2.5	25.8
EBIT margin (%)	10.0	(2.8)	(104.8)	(6.9)	22.6
Effective tax rate (%)	30.7	72.9	31.7	25.2	25.2
NOPLAT (pre-IndAS)	3,127	(93)	(2,916)	(832)	7,937
Shares outstanding (mn)	112	112	112	112	112

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	4,723	(1,924)	(2,668)	(2,007)	9,995
Others (non-cash items)	352	1,369	(246)	(849)	(307)
Taxes paid	(1,450)	(966)	(1,193)	505	(2,515)
Change in NWC	(9,231)	(14,194)	10,144	21,341	(4,243)
Operating cash flow	(3,153)	(12,936)	7,472	21,503	5,361
Capital expenditure	362	(2,861)	(2,124)	0	0
Acquisition of business	-	-	-	-	-
Interest & dividend income	565	80	399	0	0
Investing cash flow	(3,695)	(4,380)	(5,877)	104	307
Equity raised/(repaid)	0	64	39	0	0
Debt raised/(repaid)	14,438	25,012	6,091	(13,597)	5,305
Payment of lease liabilities	0	0	0	0	0
Interest paid	(355)	(1,597)	(2,517)	(1,000)	(917)
Dividend paid (incl tax)	(642)	(553)	(222)	0	0
Others	(719)	(742)	(405)	(16)	(17)
Financing cash flow	12,722	22,184	2,986	(14,614)	4,371
Net chg in Cash	5,874	4,869	4,581	6,994	10,038
OCF	(3,153)	(12,936)	7,472	21,503	5,361
Adj. OCF (w/o NWC chg.)	6,078	1,259	(2,672)	162	9,604
FCFF	(2,791)	(15,796)	5,348	21,503	5,361
FCFE	(2,581)	(16,174)	5,104	20,503	4,444
OCF/EBITDA (%)	(47.7)	(4,371.6)	(208.0)	5,344.9	44.2
FCFE/PAT (%)	(510.8)	1,002.7	(494.5)	(1,350.3)	59.6
FCFF/NOPLAT (%)	(89.2)	17,031.2	(183.4)	(2,586.0)	67.5

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	1,117	1,117	1,117	1,117	1,117
Reserves & Surplus	38,674	37,286	35,891	34,373	41,836
Net worth	39,791	38,403	37,008	35,490	42,953
Minority interests	1,156	480	-	-	-
Non-current liab. & prov.	116	499	0	0	0
Total debt	24,815	49,966	56,349	42,768	48,073
Total liabilities & equity	71,263	94,041	98,232	83,133	95,900
Net tangible fixed assets	37,346	14,143	13,321	12,569	11,055
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	581	494	526	526	526
Goodwill	-	-	-	-	-
Investments [JV/Associates]	4,082	6,721	5,295	5,295	5,295
Cash & equivalents	6,842	14,133	23,809	30,803	40,842
Current Liab. & Prov.	33,839	71,290	104,096	377,988	1,110,530
NWC (ex-cash)	19,528	54,765	48,602	27,260	31,503
Total assets	71,263	94,041	98,232	83,133	95,900
Net debt	17,974	35,833	32,539	11,964	7,231
Capital employed	71,263	94,041	98,232	83,133	95,900
Invested capital	56,874	68,908	61,923	39,829	42,559
BVPS (Rs)	356.3	343.8	331.3	317.8	384.6
Net Debt/Equity (x)	0.5	0.9	0.9	0.3	0.2
Net Debt/EBITDA (x)	2.7	121.1	(9.1)	29.7	0.6
Interest coverage (x)	14.3	0.1	(5.8)	(1.0)	11.9
RoCE (%)	8.7	0.1	(4.1)	(1.2)	12.9

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	350.6	(109.8)	(171.6)	(116.7)	23.7
EV/CE(x)	3.0	2.2	2.1	2.5	2.1
P/B (x)	4.5	4.6	4.8	5.0	4.1
EV/Sales (x)	4.6	16.2	48.3	12.4	4.2
EV/EBITDA (x)	29.5	659.4	(54.3)	485.0	16.1
EV/EBIT(x)	43.2	(570.5)	(45.7)	(175.6)	18.4
EV/IC (x)	3.4	2.8	3.2	4.9	4.6
FCFF yield (%)	(1.4)	(8.1)	2.7	11.0	2.7
FCFE yield (%)	(1.5)	(9.1)	2.9	11.6	2.5
Dividend yield (%)	0.4	0.3	0.1	0	0
DuPont-RoE split					
Net profit margin (%)	6.5	(2.3)	(74.1)	(9.5)	15.9
Total asset turnover (x)	0.7	0.1	-	0.2	0.5
Assets/Equity (x)	1.6	2.1	2.5	2.5	2.3
RoE (%)	7.5	(0.7)	(8.0)	(4.2)	19.0
DuPont-RoIC					
NOPLAT margin (%)	6.9	(0.8)	(71.6)	(5.2)	16.9
IC turnover (x)	0.8	0.2	0.1	0.3	1.1
RoIC (%)	5.8	(0.1)	(4.5)	(1.6)	19.3
Operating metrics					
Core NWC days	157.9	1,640.0	4,356.7	621.9	244.6
Total NWC days	157.9	1,640.0	4,356.7	621.9	244.6
Fixed asset turnover	1.2	0.5	0.3	1.2	4.0
Opex-to-revenue (%)	0	0	0	0	0

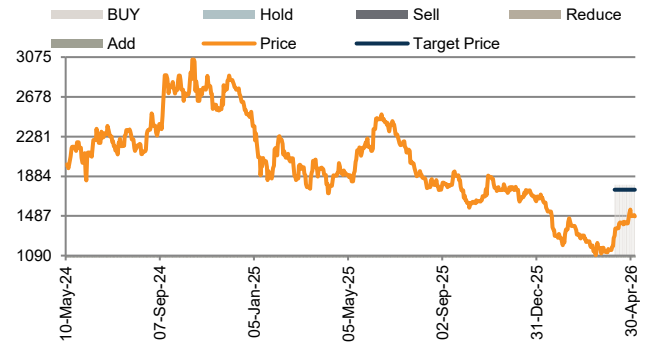
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
09-Apr-26	1,289	1,750	Buy	Biplab Debbarma

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research