

Oberoi Realty Ltd.

ACCUMULATE

Sector: Realty

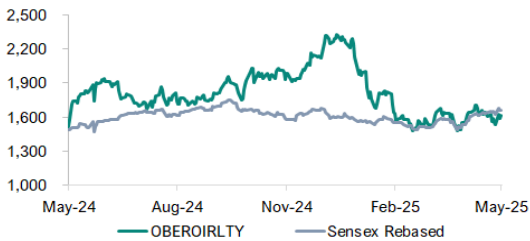
16th May, 2025

Key Changes	Target ▲	Rating ▲	Earnings ▼	Target	Rs. 1,898		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 1,676
Mid Cap	OBER:IN	82,331	OBEROIRLTY	533273	12 Months	Return	+13%

Data as of: 16-05-2025

Company Data			
Market Cap (Rs.cr)	60,940		
52 Week High — Low (Rs.)	2,350 - 1,440		
Enterprise Value (Rs. cr)	63,215		
Outstanding Shares (cr)	36.4		
Free Float (%)	32.3		
Dividend Yield (%)	0.5		
6m average volume (cr)	0.1		
Beta	1.2		
Face value (Rs.)	10.0		
Shareholding (%)	Q2FY25	Q3FY25	Q4FY25
Promoters	67.7	67.7	67.7
FII's	18.4	20.2	20.0
MFs/Institutions	12.0	10.1	10.2
Public	1.7	1.7	1.9
Others	0.2	0.3	0.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	2.8%	-18.7%	6.0%
Absolute Sensex	7.1%	4.8%	11.3%
Relative Return	-4.3%	-23.5%	-5.2%

***over or under performance to benchmark index**



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	5,286	6,761	8,209
Growth (%)	17.6	27.9	21.4
EBITDA	3,291	4,104	4,999
EBITDA Margin (%)	62.3	60.7	60.9
PAT Adjusted	2,226	2,901	3,548
Growth (%)	15.5	30.4	22.3
Adjusted EPS	61.2	79.8	97.6
Growth (%)	15.5	30.4	22.3
P/E	26.7	20.2	16.5
P/B	3.8	3.2	2.7
EV/EBITDA	18.8	14.8	12.1
ROE (%)	14.2	15.8	16.5
D/E	0.2	0.2	0.2

Laying groundwork for growth

Oberoi Realty (ORL) is a premium real estate developer with over 45 completed projects spread across strategic locations in Mumbai. The company also acquired about a 15-acre land parcel in the NCR region to expand its market.

- Consolidated revenue from operations slumped 12.5% YoY to Rs. 1,150cr, with the Real estate segment dipping 13.4% YoY and the Hospitality segment registering 10.0% YoY growth in Q4FY25.
- Land, development rights, construction and other costs rose a whopping 207.2% YoY and stood at Rs. 587cr in Q4FY25 from Rs. 191cr in Q4FY24.
- In Q4FY25, ORL achieved sales bookings of Rs. 853cr, with a total carpet area of 1,37,321 sq. ft booked during the quarter.
- At the operational level, EBITDA fell 34.0% YoY significantly to Rs. 681cr, while EBITDA margin contracted 1930bps YoY to 59.2%.
- Consolidated PAT fell 45.0% YoY to Rs. 433cr in Q4FY25, primarily attributed to a contraction in top-line growth and elevated land acquisition expenses.

Outlook & Valuation

Oberoi Realty demonstrated moderate financial performance but exhibits optimistic outlook, driven by its strong launch pipeline, which is expected to drive growth and revenue visibility over the next few quarters. The company's ready inventory provides strong cash flow visibility, reducing dependence on new launches and ensuring a stable financial performance. Further, the sustained performance of Three Sixty West, with consistent sales at premium prices, is a testament to the company's ability to deliver high-quality projects. With a robust development pipeline and a strong balance sheet, ORL is well-positioned to capitalize on the growing demand for luxury real estate in India. Hence, **we upgrade our rating on the stock to ACCUMULATE with a rolled-forward target price of Rs. 1,898 based on 3.2x FY27E book value per share (BVPS).**

Quarterly Financials Consol.

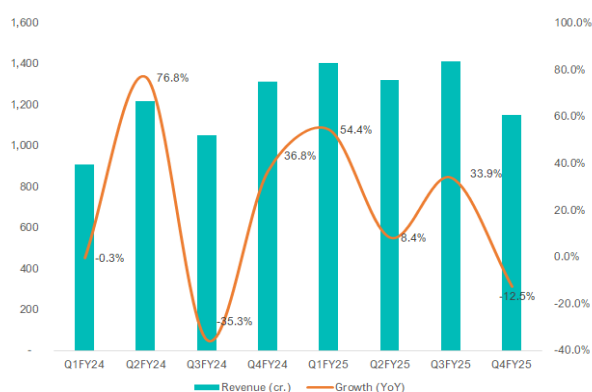
Rs.cr	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	1,150	1,315	-12.5	1,411	-18.5	5,286	4,496	17.6
EBITDA	681	1,032	-34.0	905	-24.8	3,291	2,733	20.4
Margin (%)	59.2	78.5	-1930bps	64.2	-500bps	62.3	60.8	150bps
EBIT	657	1,019	-35.5	882	-25.5	3,202	2,685	19.3
PBT	577	971	-40.6	810	-28.8	2,945	2,476	19.0
Rep. PAT	433	788	-45.0	618	-30.0	2,226	1,927	15.5
Adj PAT	433	788	-45.0	618	-30.0	2,226	1,927	15.5
EPS (Rs)	11.9	21.7	-45.0	17.0	-30.0	61.2	53.0	15.5



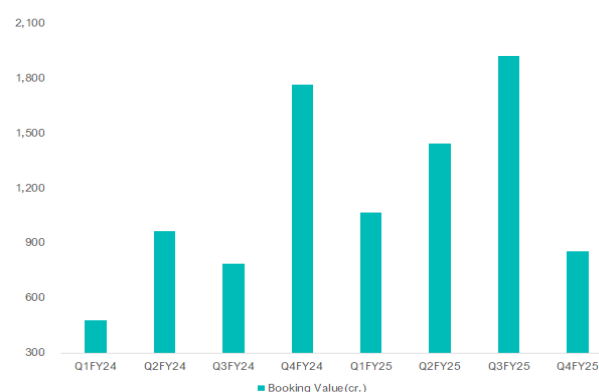
Key concall highlights

- The soft launch of Sky City Mall in Borivali has been a major success, with substantial leasing and rental rates between Rs. 400 and Rs. 1,000 per square foot. ORL is on track to achieve a critical mass of occupancy by June and pleased with the initial response from consumers and retailers.
- I-Ven Realty Limited entered into a transaction for Rs.1,250cr infusion by private equity investor for a 21.74% stake. With the launch of Elysian Tower D on 30th April, a luxury complex featuring a high-end mall, office space, and a small hotel is slated to be constructed, with a projected completion timeline of 3-3.5 years.
- Borivali's Tower H is likely to be launched during Diwali this year. Several other projects, including those in Gurugram and Adarsh Nagar, are being lined up for launch in the second half of the year.
- In Thane, two towers have been launched so far and three more towers are in the pipeline. On the larger land parcel, work on the mall, school, and hotel would start in FY26, and different configurations or sizes for the remaining towers are being considered.
- A high-end luxury project is being planned for Gurugram, similar to the 360 project, but on a smaller scale. The project is expected to start with ~5,000 sq. ft and may be expanded to 7,500 or 8,000 sq. ft and the launch is not expected to pose any challenges.

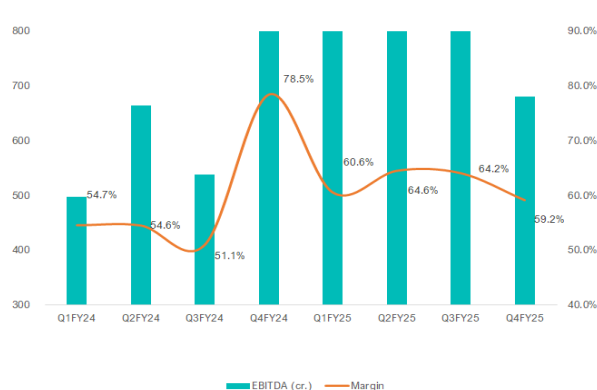
Revenue



Booking Value



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	7,601	-	6,761	8,209	-11.0	-
EBITDA	4,120	-	4,104	4,999	-0.4	-
Margins (%)	54.2	-	60.7	60.9	650bps	-
Adj. PAT	2,923	-	2,901	3,548	-0.7	-
EPS	80.4	-	79.8	97.6	-0.7	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	4,193	4,496	5,286	6,761	8,209
% change	55.6	7.2	17.6	27.9	21.4
EBITDA	2,212	2,733	3,291	4,104	4,999
% change	78.4	23.5	20.4	24.7	21.8
Depreciation	40	48	88	96	101
EBIT	2,173	2,685	3,202	4,008	4,898
Interest	169	218	265	289	348
Other Income	220	9	8	8	8
PBT	2,224	2,476	2,945	3,727	4,558
% change	64.3	11.3	19.0	26.6	22.3
Tax	319	549	719	826	1,010
Tax Rate (%)	14.4	22.2	24.4	22.2	22.2
Reported PAT	1,905	1,927	2,226	2,901	3,548
PAT att. to common shareholder-	1,905	1,927	2,226	2,901	3,548
Adj.*	-	-	-	-	-
Adj. PAT	1,905	1,927	2,226	2,901	3,548
% change	81.9	1.2	15.5	30.4	22.3
No. of shares (cr)	36.4	36.4	36.4	36.4	36.4
Adj EPS (Rs.)	52.4	53.0	61.2	79.8	97.6
% change	81.9	1.2	15.5	30.4	22.3
DPS (Rs.)	4.0	8.0	8.0	8.7	9.4

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	1,944	1,974	2,314	2,997	3,649
Non-cash adj.	147	-175	-156	-1,198	-1,917
Other adjustments	-	-	-	-	-
Changes in W.C	-4,474	1,018	5	-59	-60
C.F. Operation	-2,383	2,816	2,163	1,740	1,672
Capital exp.	-602	-677	-691	-778	-821
Change in inv.	2,231	78	-1,458	-	-
Other invest.CF	109	-45	-244	-	-
C.F - Investment	1,739	-644	-2,392	-778	-821
Issue of equity	-	-	-	-	-
Issue/repay debt	1,082	-1,440	796	98	74
Dividends paid	-109	-291	-364	-291	-316
Other finance.CF	-264	-304	-232	-289	-348
C.F - Finance	709	-2,034	200	-481	-590
Chg. in cash	64	138	-29	481	260
Closing Cash	513	767	1,003	1,484	1,745

Balance Sheet

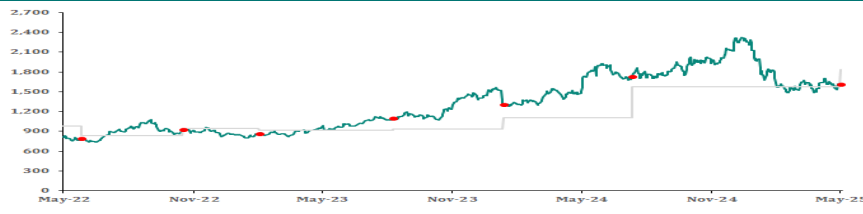
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	513	767	1,003	1,484	1,745
Accts. Receivable	1,098	204	113	156	197
Inventories	8,543	9,261	9,447	9,547	9,644
Other Cur. Assets	2,302	2,513	4,655	5,625	7,789
Investments	1,171	3,170	4,899	5,574	5,746
Gross Fixed Assets	324	358	1,048	1,126	1,208
Net Fixed Assets	195	218	244	303	366
CWIP	4,031	2,705	1,604	2,226	2,883
Intangible Assets	2	2	1	1	1
Def. Tax -Net	193	173	136	143	150
Other Assets	577	621	642	673	712
Total Assets	18,626	19,633	22,742	25,731	29,233
Current Liabilities	2,224	2,970	3,102	3,322	3,497
Provisions	2	2	3	2	2
Debt Funds	3,944	2,495	3,300	3,399	3,473
Other Liabilities	246	322	633	693	714
Equity Capital	364	364	364	364	364
Res. & Surplus	11,847	13,481	15,341	17,951	21,183
Shareholder Funds	12,210	13,844	15,705	18,315	21,547
Minority Interest	-	-	-	-	-
Total Liabilities	18,626	19,633	22,742	25,731	29,233
BVPS	336	381	432	504	593

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	52.8	60.8	62.3	60.7	60.9
EBIT margin (%)	51.8	59.7	60.6	59.3	59.7
Net profit mgn.(%)	45.4	42.9	42.1	42.9	43.2
ROE (%)	15.6	13.9	14.2	15.8	16.5
ROCE (%)	13.4	16.4	16.9	18.5	19.6
W.C & Liquidity					
Receivables (days)	95.6	16.6	7.8	8.4	8.8
Inventory (days)	1,670.3	1,884.6	1,868.8	1,460.0	1,204.5
Payables (days)	33.9	103.5	129.8	113.2	102.2
Current ratio (x)	3.8	3.9	4.3	4.5	4.9
Quick ratio (x)	0.6	0.4	0.9	1.1	1.4
Turnover & Leverage					
Gross asset T.O (x)	13.1	13.2	7.5	6.2	7.0
Total asset T.O (x)	0.2	0.2	0.2	0.3	0.3
Int. covge. ratio (x)	12.9	12.3	12.1	13.9	14.1
Adj. debt/equity (x)	0.3	0.2	0.2	0.2	0.2
Valuation					
EV/Sales (x)	8.1	7.8	11.7	9.0	7.4
EV/EBITDA (x)	15.4	12.9	18.8	14.8	12.1
P/E (x)	16.1	17.3	26.7	20.2	16.5
P/BV (x)	2.5	2.4	3.8	3.2	2.7



Recommendation Summary - (last 3 years)



Dates	Rating	Target
09-Jun-22	HOLD	841
31-Oct-22	HOLD	946
15-Feb-23	HOLD	919
23-Aug-23	SELL	936
30-Jan-24	SELL	1,176
25-Jul-24	SELL	1,580
16-May-25	ACCUMULATE	1,898

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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