




Retail Equity Research

DLF Ltd.

Sector: Realty

20th August, 2025

HOLD

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 854
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 776
Large cap	DLF:IN	81,644	DLF	532868	12 Months	Return	+10%

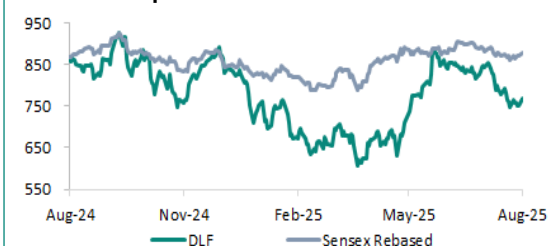
Data as of: 19-August-2025, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	192,158
52 Week High — Low (Rs.)	929 - 601
Enterprise Value (Rs.cr)	191,911
Outstanding Shares (cr)	247.5
Free Float (%)	25.9
Dividend Yield (%)	0.8
6m average volume (cr)	0.4
Beta	1.8
Face value (Rs.)	2.0

Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	74.1	74.1	74.1
FII's	16.4	16.3	16.0
MFs/Institutions	4.9	4.7	5.0
Public	4.2	4.5	4.5
Others	0.5	0.5	0.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	7.4%	14.6%	-11.4%
Absolute Sensex	-1.3%	7.0%	1.0%
Relative Return	8.7%	7.6%	-12.4%

*over or under performance to benchmark index



Y.E March (Rs. cr)	FY25A	FY26E	FY27E
Sales	7,994	9,740	11,542
<i>Growth (%)</i>	<i>24.4</i>	<i>21.8</i>	<i>18.5</i>
EBITDA	2,109	2,812	3,511
<i>EBITDA Margin (%)</i>	<i>26.4</i>	<i>28.9</i>	<i>30.4</i>
PAT Adjusted	4,670	4,451	5,499
<i>Growth (%)</i>	<i>71.2</i>	<i>-4.7</i>	<i>23.6</i>
Adjusted EPS	18.9	18.0	22.2
<i>Growth (%)</i>	<i>71.0</i>	<i>-4.7</i>	<i>23.6</i>
P/E	36.1	42.8	34.6
P/B	4.0	4.2	3.9
EV/EBITDA	79.7	67.5	54.1
<i>ROE (%)</i>	<i>10.3</i>	<i>9.8</i>	<i>11.2</i>
D/E	0.1	0.1	0.1

Robust pre-sales; valuation limits upside

DLF Ltd. is India's largest real estate developer with over 73 years of experience in the realty sector. It operates in all stages of development and generates revenue from sales, rentals and power generation.

- In Q1FY26, DLF achieved a pre-sales growth of 78% YoY, with an embedded gross margin of 39%, driven by strong volumes from Privana North.
- DCCDL's rental income grew by 15% YoY, with an occupancy of 94% in rental portfolio, including 98% for Office (Non-SEZ) and 87% for Office (SEZ).
- DLF's consolidated revenue grew 99.4% YoY to Rs. 2,717cr, driven by robust growth in the development business on account of higher sales volumes and strong collections.
- EBITDA grew 59.3% YoY to Rs. 364cr, while EBITDA margin contracted 340bps to 13.4% due to recognition of lower margin projects.
- The company has a launch pipeline of Rs. 1,14,500cr, with 37msf planned across the super-luxury, premium and commercial segments, which is expected to drive pre-sales in the coming quarters.
- DLF reiterated FY26 pre-sales target of Rs. 20,000-22,000cr, with Rs. 11,425cr already achieved in Q1FY26, driven by strong demand in Mumbai.

Outlook & Valuation

DLF delivered a strong quarterly performance, driven by robust demand for premium launches, high occupancy across operational assets, and disciplined project execution. Management remains focused on expanding the rental portfolio, accelerating high-margin project launches, and leveraging its strategically located land bank. Upcoming retail and office assets, along with a healthy launch pipeline and selective acquisitions, provide visibility into sustained growth momentum. Although future growth appears largely priced in, the potential for further upside remains limited. Accordingly, **we downgrade our rating on the stock to HOLD, with an upwardly revised target price of Rs. 854, based on 4.3x FY27E BVPS.**

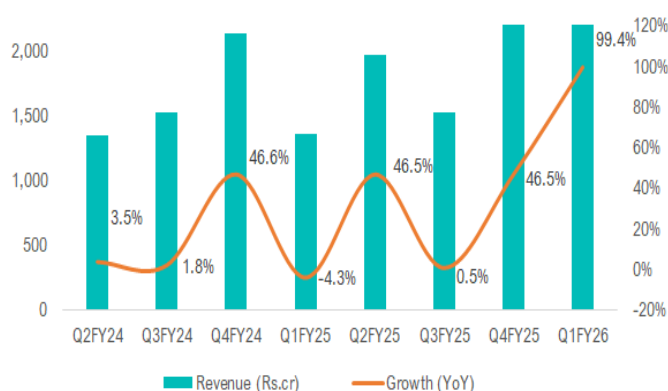
Quarterly Finance Consolidated

R.s.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	2,717	1,362	99.4	3,128	-13.1
EBITDA	364	229	59.3	978	-62.8
Margin (%)	13.4	16.8	-340bps	31.3	-1790bps
EBIT	330	191	72.3	941	-65.0
PBT	896	763	17.4	1,463	-38.8
Rep. PAT	763	645	18.3	1,282	-40.5
Adj PAT	763	646	18.1	1,282	-40.5
Adj. EPS (Rs)	3.1	2.6	17.9	5.2	-40.5

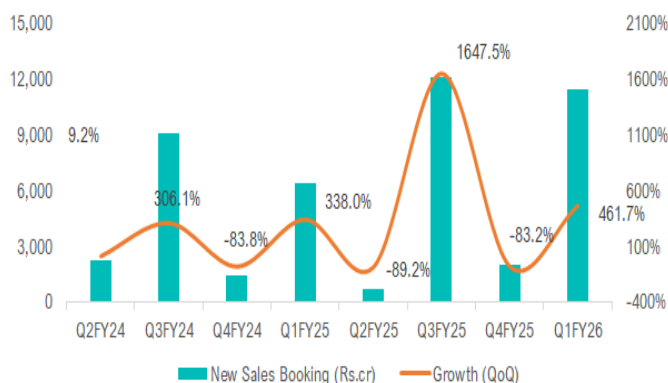
Key concall highlights

- DLF's operational rental portfolio reported a gross asset value of Rs. 74,138cr as on 30 June 2025, with Rs. 62,958cr from offices and Rs. 11,180cr from retail assets. Non-SEZ offices alone contributed Rs. 43,709cr. The portfolio maintained a healthy occupancy rate of 94%, reflecting strong demand and efficient asset utilisation.
- DLF's net cash position improved to Rs. 7,980cr in Q1FY26 from Rs. 6,848cr in Q4FY25, driven by Rs. 1,364cr debt repayment during the quarter. The company held Rs. 7,782cr in Real Estate Regulatory Authority accounts and Rs. 2,647cr as clear cash in hand, reflecting strong cash flow management and a healthy balance sheet.
- DLF plans to invest Rs. 5,000cr annually in rental assets over FY26-27, aiming for wider annuity-led growth and asset monetisation.
- The company estimates Rs. 46,500cr cash flow from launched products, including Rs. 22,350cr from unsold units.
- DLF expects Rs. 13,000cr from Dahlias in FY26, led by the launch of a new experience centre in March-April 2026.
- Management projects Rs. 5,900cr in DCCDL exit rentals and Rs. 750cr in DLF and Antrim place by March 2026, with a consolidated rental portfolio guidance of Rs. 6,700cr.

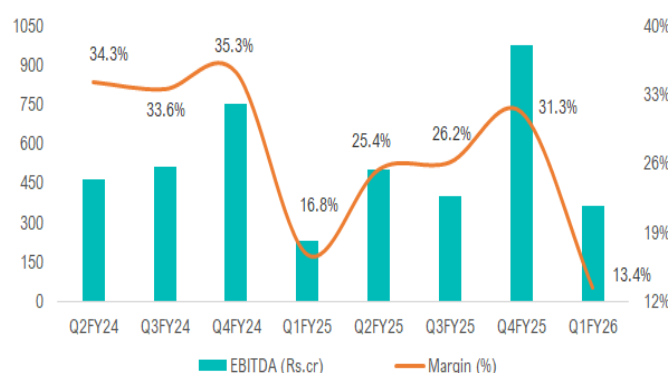
Revenue



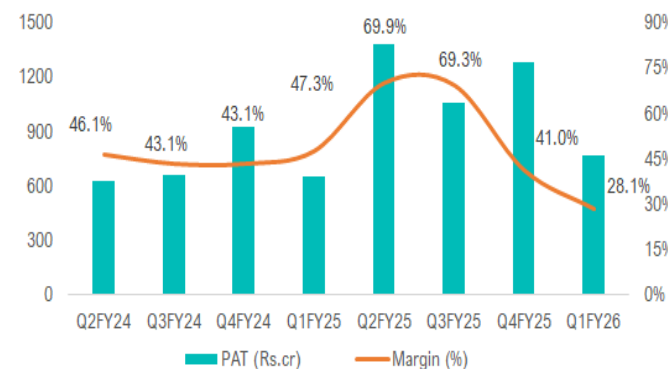
New Sales Booking



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	9,496	10,846	9,740	11,542	2.6	6.4
EBITDA	3,514	4,040	2,812	3,511	-20.0	-13.1
Margins (%)	37.0	37.3	28.9	30.4	-810bps	-690bps
Adj. PAT	4,435	5,209	4,451	5,499	0.4	5.6
EPS	17.9	21.0	18.0	22.2	0.4	5.8



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	5,695	6,427	7,994	9,740	11,542
% change	-0.4	12.9	24.4	21.8	18.5
EBITDA	1,726	2,124	2,109	2,812	3,511
% change	-1.0	23.0	-0.7	33.4	24.9
Depreciation	149	148	151	169	192
EBIT	1,577	1,976	1,958	2,643	3,319
Interest	392	356	397	436	322
Other Income	1,250	1,624	2,372	2,908	3,324
PBT	2,435	3,244	3,933	5,116	6,321
% change	33.7	33.2	21.2	30.1	23.6
Tax	402	520	-434	665	822
Tax Rate (%)	16.5	16.0	-11.0	13.0	13.0
Reported PAT	2,036	2,727	4,368	4,451	5,499
PAT att. to common shareholders	2,036	2,727	4,368	4,451	5,499
Adj.*	-	-	302	-	-
Adj. PAT	2,036	2,727	4,670	4,451	5,499
% change	18.0	34.0	71.2	-4.7	23.6
No. of shares (cr)	247.4	247.1	247.5	247.5	247.5
Adj EPS (Rs.)	8.2	11.0	18.9	18.0	22.2
% change	18.1	34.1	71.0	-4.7	23.6
DPS (Rs.)	4.0	5.0	6.0	6.5	7.0

Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	2,184	2,875	4,518	4,620	5,692
Non-cash adj.	-787	986	1,482	422	-500
Other adjustments					
Changes in W.C	978	-1,322	-765	-1,941	-1,784
C.F. Operation	2,375	2,539	5,235	3,101	3,407
Capital exp.	-54	628	-95	-244	-289
Change in inv.	-1,301	-2,786	-5,375	-874	-1,214
Other invest.CF	893	629	1,927	-	-
C.F - Investment	-463	-1,529	-3,543	-1,117	-1,502
Issue of equity	-	-	-	-	-
Issue/repay debt	-874	1,486	-751	77	79
Dividends paid	-743	-987	-1,234	-1,619	-1,724
Other finance.CF	-397	-322	-418	-436	-322
C.F - Finance	-2,013	177	-2,403	-1,977	-1,968
Chg. in cash	-101	1,187	-710	6	-62
Closing Cash	2,275	4,384	4,338	4,344	4,282

Balance Sheet

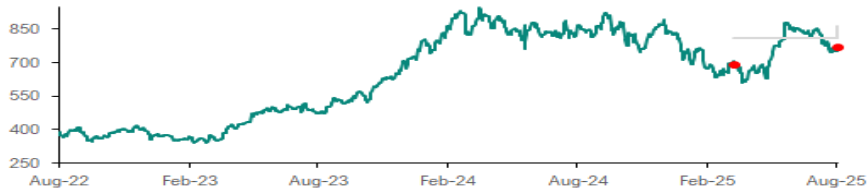
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	2,275	4,384	4,338	4,344	4,282
Accts. Receivable	549	538	802	982	1,170
Inventories	19,361	21,154	24,621	26,791	28,798
Other Cur. Assets	3,586	6,480	11,444	11,177	12,073
Investments	21,879	21,783	22,687	23,561	24,739
Gross Fixed Assets	35,248	36,006	38,098	38,341	38,630
Net Fixed Assets	831	774	721	795	889
CWIP	61	68	77	79	80
Intangible Assets	1,086	1,083	1,083	1,083	1,083
Def. Tax -Net	1,356	1,193	1,003	1,064	1,068
Other Assets	2,945	2,805	2,699	3,146	3,511
Total Assets	53,928	60,262	69,475	73,022	77,694
Current Liabilities	9,131	11,981	20,051	20,633	21,394
Provisions	50	54	53	54	55
Debt Funds	3,103	4,599	3,854	3,931	4,010
Other Liabilities	3,952	4,197	2,967	3,022	3,077
Equity Capital	495	495	495	495	495
Res. & Surplus	37,192	38,936	42,055	44,887	48,662
Shareholder Funds	37,688	39,431	42,550	45,382	49,157
Minority Interest	4	1	-	-	-
Total Liabilities	53,928	60,262	69,475	73,022	77,694
BVPS	152	160	172	183	199

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	30.3	33.0	26.4	28.9	30.4
EBIT margin (%)	27.7	30.7	24.5	27.1	28.8
Net profit mgn.(%)	35.7	42.4	54.6	45.7	47.6
ROE (%)	5.4	6.9	10.3	9.8	11.2
ROCE (%)	3.9	4.5	4.2	5.4	6.2
W.C & Liquidity					
Receivables (days)	35.2	30.6	36.6	36.8	37.0
Inventory (days)	2903.4	2763.8	2175.2	2044.6	1922.0
Payables (days)	246.5	216.3	199.7	203.7	205.6
Current ratio (x)	2.3	2.3	1.9	1.9	2.0
Quick ratio (x)	0.3	0.4	0.2	0.2	0.2
Turnover & Leverage					
Gross asset T.O (x)	0.2	0.2	0.2	0.3	0.3
Total asset T.O (x)	0.1	0.1	0.1	0.1	0.2
Int. covge. ratio (x)	4.0	5.5	4.9	6.1	10.3
Adj. debt/equity (x)	0.1	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	15.7	34.6	21.0	19.5	16.5
EV/EBITDA (x)	51.7	104.6	79.7	67.5	54.1
P/E (x)	43.4	81.4	36.1	42.8	34.6
P/BV (x)	2.3	5.6	4.0	4.2	3.9



Recommendation Summary - (last 3 years)



Dates	Rating	Target
25-Mar-25	BUY	811
20-Aug-25	HOLD	854

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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