RESULT REVIEW

HOLD

TP: Rs 2,007 | ⩒ 1%

GODREJ PROPERTIES | Real Estate (Developers) | 05 August 2026

Delayed executions and higher costs drove EPS miss

- **GPL reported Q1FY27 EPS of Rs 11.6 (-41.7% YoY), missing our estimates by -18.6% because of lower collections and higher costs**
- **Launched 3.6msf (-14.6% YoY), sold 6.2msf (+0.5% YoY) at average realisations of Rs 14,067psf (+22.6% YoY)**
- **Macro uncertainties and delayed executions to lead to moderation in growth. Expect the stock to trade at 1.2x NAV, maintain HOLD**

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Over Q1FY27, **Godrej Properties (GPL)** launched 3.6msf (-14.6% YoY) across Bengaluru, Gurugram and Hyderabad. **The developer sold 6.2msf (+0.5% YoY) at average realisations of Rs 14,067psf (+22.6% YoY), +45.4%/-18.7% vs our expectations**; generating booking values of Rs 86,510mn (+22.2% YoY).

GPL delivered projects with saleable area of 0.9msf (+12.5% YoY) as higher labour and commodity costs weighed on the execution of projects. **The developer collected Rs 43,480mn (+18.5% YoY), limited by slower executions**. Delayed construction milestones, depressed operating cashflows, resulting in EBITDA margins of -56.3% (vs -56.0% as of Q1FY26).

Over Q1FY27, GPL added 3 new projects (group housing and plotted developments) with saleable are of ~8.1msf. As of Q1FY27, GPL had unsold inventory of ~24.4msf and had ~Rs 584,380mn of uncollected revenues (~68% of which management expects to recognise through FY28). Despite GPL's robust development pipeline, we believe that the prevailing macro-economic uncertainties (West Asia crisis and expectations of higher interest rates) are likely to weigh on home-buyer sentiment; resulting in the moderation of sales growth over FY27E-29E.

We expect growth over FY26E-FY29E to be on the back of new launches, sustenance sales and moderate growth in average realisations. We expect booking values to growth by +4.0% CAGR (vs +40.8% CAGR over FY24-26) driven by moderate increases in area sold (+1.3% CAGR) and average realisations (+2.7% CAGR). However, we expect a pick-up in executions to result in better collections (+19.7% CAGR vs +30.5% CAGR over FY24-FY26), resulting in EPS growth of +13.2% CAGR over the period.

We revise our EPS estimates lower by ~-1.3% over FY27E-FY29E to reflect the limited expansion in operating cashflows driven by lower collections and higher costs. **We expect the stock to trade at ~1.2x (from 1.9x previously) NAV implying a 1Y TP of Rs 2,007 (~+5.0%% from Rs 1,911 previously). Maintain HOLD.**

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	GPL IN/Rs 2,034
Market cap	US$ 6.5bn
Free float	53%
3M ADV	US$ 15.3mn
52wk high/low	Rs 2,352/Rs 1,434
Promoter/FPI/DII	47%/28%/11%

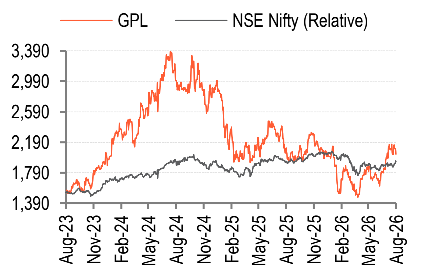
Source: NSE | Price as of 4 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	84,109	91,165	1,38,754
EBITDA (Rs mn)	(4,165)	11,326	18,037
Adj. net profit (Rs mn)	18,407	18,671	24,379
Adj. EPS (Rs)	61.4	62.0	80.8
Consensus EPS (Rs)	62.2	77.8	110.8
Adj. ROAE (%)	10.0	9.2	10.8
Adj. P/E (x)	33.1	32.8	25.2
EV/EBITDA (x)	(147.1)	54.1	34.0
Adj. EPS growth (%)	25.3	0.9	30.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Reported Q1FY27 EPS of Rs 11.6; missing our estimates by -18.6%

Over Q1FY27, **GPL launched 3.6msf (-82.2%% QoQ and -14.6% YoY) and sold 6.2msf (-16.2% QoQ and +0.5% YoY) at average realisations of Rs 14,067psf (+1.0% QoQ and +22.6% YoY), +45.4%/-18.7% vs our expectations**. Limited collections of Rs 43,480mn (-45.3% QoQ and +18.5% YoY) as a result of delayed construction milestones, depressed operating cashflows, resulting in EBITDA margins of -56.3% (vs +15.1% as of Q4FY26 and -56.0% as of Q1FY26). **A combination of limited deliveries, lower collections and higher costs led to reported EPS of Rs 11.6 (-46.1% QoQ and -41.7% YoY), missing our estimates by -18.6%**.

Fig 1 – Reported EPS of Rs 11.6 missed our estimates by -18.6%

	Q1FY27A	Q1FY26A	YoY (%)	Q3FY26	QoQ (%)	Q1FY27E	Deviation (%)
Revenue from operations (Rs mn)	5,062	4,346	16.5	34,581	(85.4)	10,092	(49.8)
EBITDA (Rs mn)	(2,850)	(2,433)	17.1	5,222	(154.6)	(1,475)	NA
EBITDA Margin (%)	(56.3)	(56.0)	(31.4) bps	15.1	(7140.1) bps	(14.6)	NA
Net Result (Rs mn)	3,494	5,984	(41.6)	6,454	(45.9)	4,299	(18.7)
EPS (Rs)	11.62	19.92	(41.7)	21.57	(46.1)	14.27	(18.6)

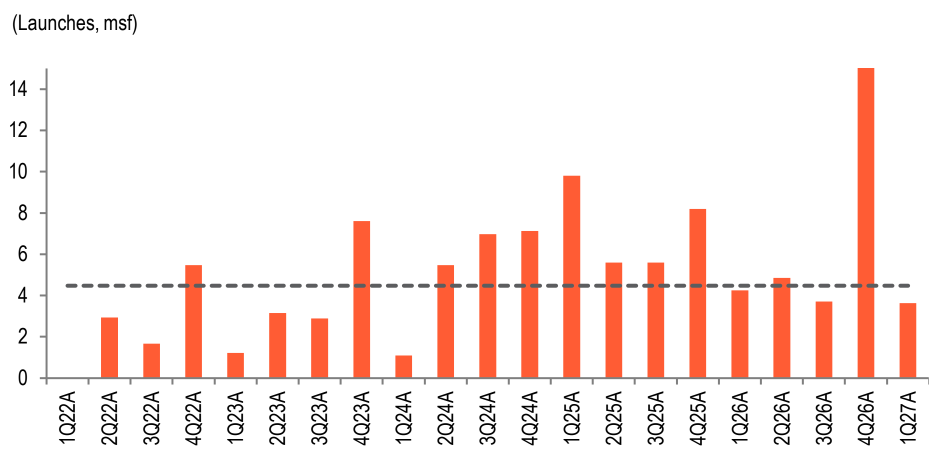
Source: Company, BOBCAPS Research

Lower launches, robust demand

Over Q1FY27, GPL launched 3.6msf (-82.2%% QoQ and -14.6% YoY) across 3 projects in Bengaluru (Godrej Vanantara; 2.99msf), Gurugram (Godrej Samaris; 0.38msf) and Hyderabad (Godrej Brooklyn Avenue; 0.26msf**. Management expects the pace of launches to pick up over the rest of FY27** and stated that the developer is well placed to launch projects with estimated booking values of Rs 480,000 (~22% achieved over Q1FY27).

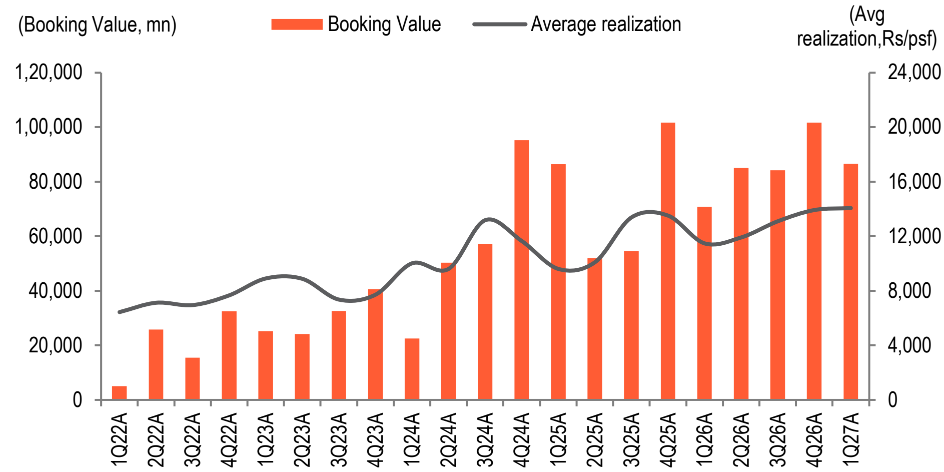
Over the period, GPL sold 6.2msf (-16.2% QoQ and +0.5% YoY) at average realisations of Rs 14,067psf (+1.0% QoQ and +22.6% YoY) resulting in booking values of Rs 86,510mn (-14.9% QoQ and +22.2% YoY). **Management stated that they have witnessed no material impact on the demand for their projects** and continues to guide to Rs 390,000mn of sales over FY27 (22% achieved over 1QFY27).

Fig 2 – Limited launches over Q1FY27



Source: Company, BOBCAPS Research

Fig 3 – Booking values limited by lower growth in avg. realisations



Source: Company, BOBCAPS Research

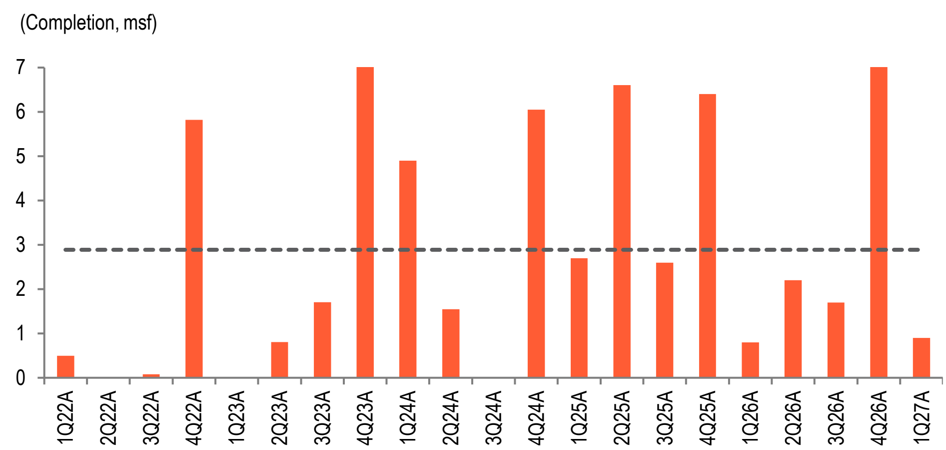
Limited completions and collections

GPL delivered projects with saleable area of 0.9msf (-87.8% QoQ and +12.5% YoY) as higher labour and commodity costs weighed on the execution of projects. Management stated that they remain confident of a pick-up in executions as cyclical macro-economic factors ease, facilitating faster execution.

The developer collected Rs 43,480mn (-45.3% QoQ and +18.5% YoY), limited by the delayed executions. **Management expects to collect ~68% of Rs 584,380mn of total unrecognised revenues through FY28, as it delivers projects across MMR, Bengaluru, NCR and Kolkata**. Management also expects better execution to help improve collections and continues to guide to ~Rs240,000mn of total collections over FY27 (~18% achieved over Q1FY27).

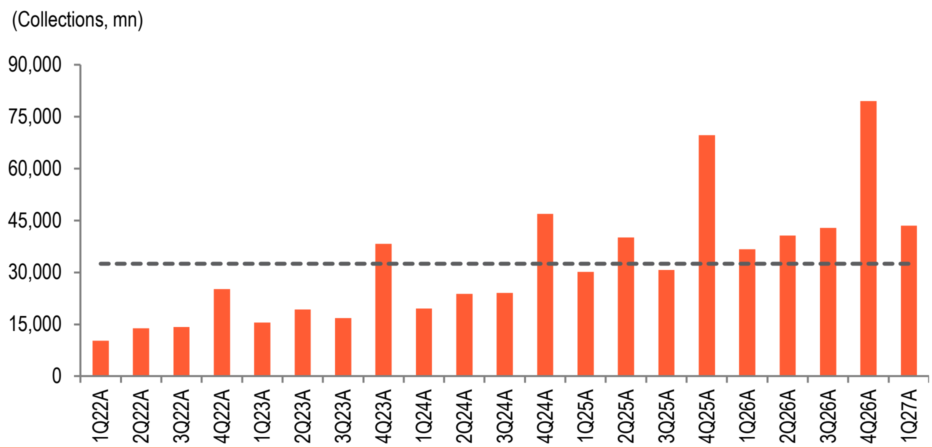
Since deliveries are contingent on the receipt of regulatory approvals which can be delayed beyond expectations, **we remain cautiously optimistic about GPL's ability to drive collections and improve operating cash flows**.

Fig 4 – Limited completions



Source: Company, BOBCAPS Research

Fig 5 – Growth in collections under pressure from slower completions



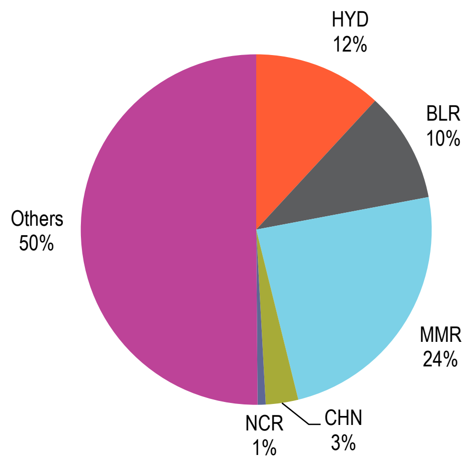
Source: Company, BOBCAPS Research

Sustenance sales and launches to drive growth in sales

As of Q1FY27, GODREJ PROPERTIES had ~24.38msf (~12 months) of unsold inventory spread across Mumbai, Bengaluru and Hyderabad (~46% of unsold inventory). Additionally, upcoming supply of new inventory ~84.4msf is also expected to be concentrated in Mumbai, Bengaluru and Hyderabad (~43% of upcoming inventory). **We expect AI-related disruptions to IT employment to negatively affect sales momentum, especially across Hyderabad and Bengaluru, potentially resulting in a bigger build-up of inventory**.

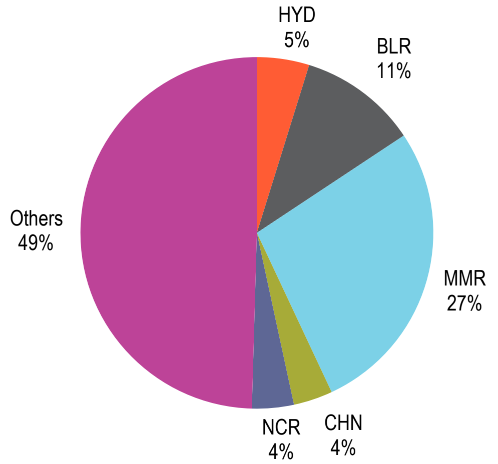
~8.05msf was added across 3 projects over Q1FY27, comprising ~6.87msf of group housing and 1.18msf of plotted development projects. Business development achieved over the period was ~48% of management guidance for FY27. However, going forward, we expect GODREJ PROPERTIES to decelerate business development activity to adjust to the softer demand environment.

Fig 6 – Wide-spread inventory (existing)



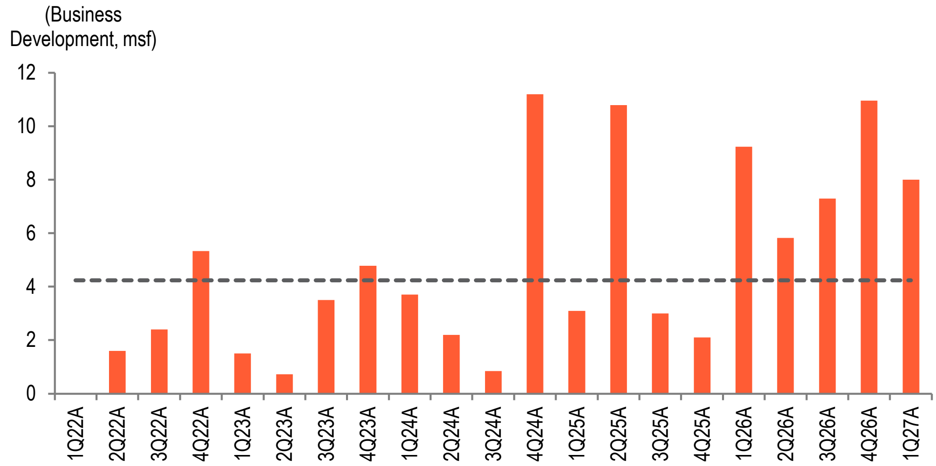
Source: Company, BOBCAPS Research

Fig 7 – Well diversified upcoming inventory



Source: Company, BOBCAPS Research

Fig 8 – Robust business development



Source: Company, BOBCAPS Research

Valuations under pressure

We believe that the prevailing macro-economic uncertainty will dampen homebuyer sentiment, resulting in lower growth in booking values over FY27E-29E. We expect growth over FY26E-FY29E will be sustained by a moderation in sales and avg. realisations, as homebuyers recalibrate housing needs and developers adjust to this phase of residential market cycle.

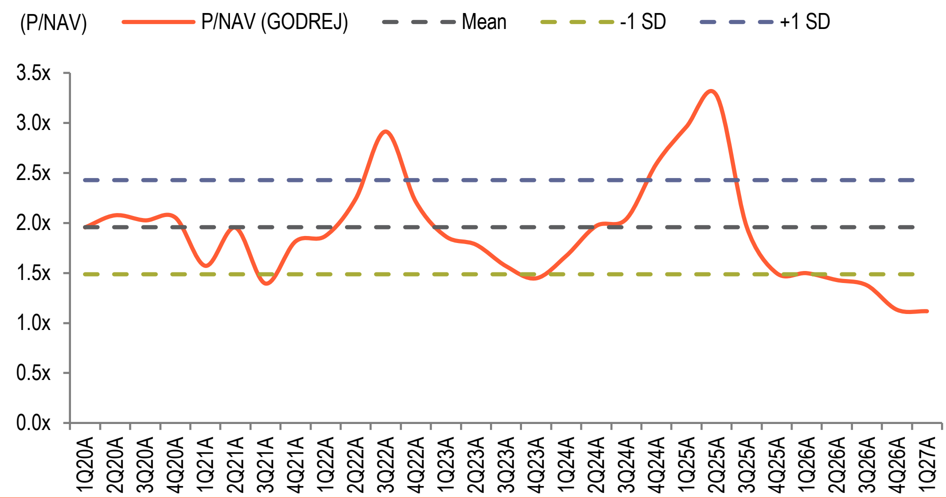
Based on a regression of stock prices vs booking values we continue to believe that the stock prices of developers are highly correlated with booking values achieved over the period. **We revise our EPS estimates lower by ~-1.3% over FY27E-FY29E to reflect the limited expansion in operating cashflows driven by lower collections and higher costs. We expect the stock to trade at ~1.2x (from 1.9x previously) NAV implying a 1Y TP of Rs 2,007 (~+5% from Rs 1,911 previously). Maintain HOLD**.

Fig 9 – Revised estimates

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue from operations (Rs mn)	60,818	95,417	109,501	70,709	112,187	120,563	(14.0)	(14.9)	(9.2)
EBITDA (Rs mn)	11,326	18,037	19,945	14,269	22,541	25,004	(20.6)	(20.0)	(20.2)
Net Result (Rs mn)	18,671	24,379	26,969	18,685	24,432	27,818	(0.1)	(0.2)	(3.1)
EPS (Rs)	61.95	80.76	89.15	62.02	81.09	92.33	(0.1)	(0.4)	(3.4)

Source: BOBCAPS Research

Fig 10 – GPL trading at a premium vs peers



Source: BOBCAPS Research, Bloomberg

Key risks

- **Execution remains the single-biggest risk**. Any unexpected delays in launches and construction, is likely to directly affect booking values and revenue recognition.
- **Macro-economic uncertainties** triggered by the war in West Asia are expected to disrupt supply chains, resulting in higher construction costs (mostly steel costs). However, GST reforms are expected to ease the cost of construction (lower cement

prices). We remain cautiously optimistic about the developers' ability to keep costs under check, improve pricing and drive EBITDA margins.

- A large majority of the typical homebuyer (IT/Financial services employee, CXOs) for developers under our coverage, is made up of an IT/Financial Services employee, working at a GCC. **AI led productivity gains over the recent past, have brought into focus the possible disruptions to employment** in these sectors that are likely to limit the purchasing power of the typical homebuyer and affect sentiment negatively.
- **Expectations of higher inflation** arising from the elevated energy prices are likely to result in higher interest rates. Increased home-loan rates are likely to depress demand

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**69,671**	**84,109**	**91,165**	**1,38,754**	**1,59,402**
EBITDA	444	(4,165)	11,326	18,037	19,945
Depreciation	(737)	(1,156)	(1,189)	(1,613)	(1,744)
EBIT	(293)	(5,321)	10,138	16,424	18,200
Net interest inc./(exp.)	(1,737)	(1,369)	(1,043)	(1,707)	(2,369)
Other inc./(exp.)	19,256	32,386	17,383	20,109	22,696
Exceptional items	0	(191)	0	0	0
EBT	17,226	25,506	26,478	34,827	38,527
Income taxes	(3,334)	(7,099)	(7,808)	(10,448)	(11,558)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**13,892**	**18,407**	**18,671**	**24,379**	**26,969**
Adjustments	0	0	0	0	0
Adjusted net profit	**13,892**	**18,407**	**18,671**	**24,379**	**26,969**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	35,231	58,997	52,046	60,765	67,074
Other current liabilities	3,02,464	5,36,254	6,03,214	6,03,214	6,03,214
Provisions	308	706	727	727	727
Debt funds	40,000	22,500	20,003	26,720	3,284
Other liabilities	915	6,938	8,126	8,126	8,126
Equity capital	1,506	1,506	1,506	1,506	1,506
Reserves & surplus	1,74,231	1,92,043	2,11,778	2,37,217	2,67,627
Shareholders' fund	1,75,737	1,93,549	2,13,285	2,38,724	2,69,134
Total liab. and equities	**5,54,655**	**8,18,944**	**8,97,401**	**9,38,275**	**9,51,559**
Cash and cash eq.	15,021	18,607	1,69,708	1,43,929	2,62,655
Accounts receivables	4,338	5,541	8,076	12,670	14,540
Inventories	3,29,277	5,78,069	4,70,989	5,37,198	4,32,592
Other current assets	1,62,809	1,55,966	1,91,411	1,91,411	1,91,411
Investments	15,396	21,513	15,935	8,247	2,096
Net fixed assets	10,434	12,807	15,693	19,231	22,675
CWIP	25	26	27	27	27
Intangible assets	142	137	131	131	131
Deferred tax assets, net	2,042	3,046	3,245	3,245	3,245
Other assets	15,172	23,231	22,188	22,188	22,188
Total assets	**5,54,655**	**8,18,944**	**8,97,401**	**9,38,275**	**9,51,559**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**(22,424)**	**(20,034)**	**1,23,767**	**(30,312)**	**1,46,581**
Capital expenditures	(42,740)	3,907	3,325	2,536	962
Change in investments	(511)	(2,205)	0	0	0
Other investing cash flows	177	4,516	(3,013)	(3,013)	(3,013)
Cash flow from investing	**(43,074)**	**6,218**	**312**	**(477)**	**(2,051)**
Equities issued/Others	59,217	0	0	0	0
Debt raised/repaid	18,503	22,136	4,348	6,717	(23,435)
Interest expenses	(10,503)	(12,472)	(1,043)	(1,707)	(2,369)
Dividends paid	0	0	0	0	0
Other financing cash flows	(122)	(288)	0	0	0
Cash flow from financing	**67,095**	**9,376**	**3,305**	**5,010**	**(25,804)**
Chg in cash & cash eq.	**1,597**	**(4,440)**	**1,27,384**	**(25,779)**	**1,18,726**
Closing cash & cash eq.	**15,004**	**10,984**	**1,69,708**	**1,43,929**	**2,62,655**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	49.0	61.4	62.0	80.8	89.2
Adjusted EPS	49.0	61.4	62.0	80.8	89.2
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	615.3	642.4	707.9	792.3	893.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	8.8	7.3	6.7	4.4	3.8
EV/EBITDA	1,381.2	(147.1)	54.1	34.0	30.7
Adjusted P/E	41.5	33.1	32.8	25.2	22.8
P/BV	3.3	3.2	2.9	2.6	2.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.6	72.2	70.5	70.0	70.0
Interest burden (PBT/EBIT)	(5879.2)	(479.3)	261.2	212.0	211.7
EBIT margin (EBIT/Revenue)	(0.4)	(6.3)	11.1	11.8	11.4
Asset turnover (Rev./Avg TA)	15.3	12.2	10.6	15.1	16.9
Leverage (Avg TA/Avg Equity)	3.3	3.7	4.2	4.1	3.7
Adjusted ROAE	10.0	10.0	9.2	10.8	10.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	60.7	20.7	8.4	52.2	14.9
EBITDA	(134.2)	(1039.0)	(371.9)	59.3	10.6
Adjusted EPS	87.9	25.3	0.9	30.4	10.4
Profitability & Return ratios (%)					
EBITDA margin	0.6	(5.0)	12.4	13.0	12.5
EBIT margin	(0.4)	(6.3)	11.1	11.8	11.4
Adjusted profit margin	19.9	21.9	20.5	17.6	16.9
Adjusted ROAE	10.0	10.0	9.2	10.8	10.6
ROCE	(0.1)	(2.4)	4.2	6.0	6.5
Working capital days (days)					
Receivables	32	48	48	48	48
Inventory	1,007	1,068	1,175	1,116	802
Payables	108	108	108	108	108
Ratios (x)					
Gross asset turnover	0.1	0.1	0.1	0.1	0.1
Current ratio	1.5	1.3	1.3	1.3	1.3
Net interest coverage ratio	(0.2)	(3.9)	9.7	9.6	7.7
Adjusted debt/equity	2.2	3.2	3.2	2.9	2.5

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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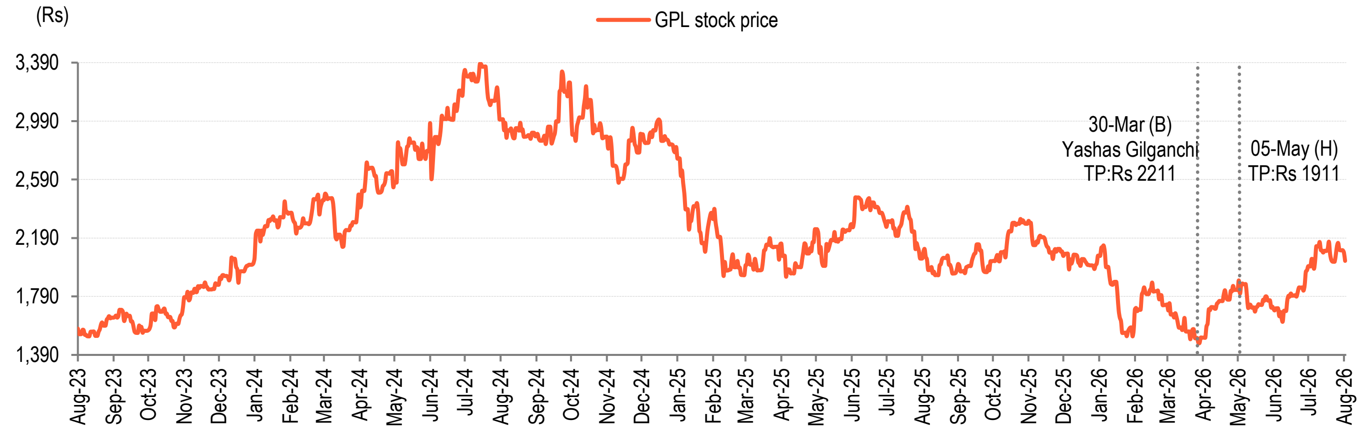
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): GODREJ PROPERTIES (GPL IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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