

REAL ESTATE (REITS)

Q4FY26 Review

10 June 2026

High utilisation; expansion of leasable area to drive DPU growth

- Leasing by GCCs and ‘flight-to-quality’ made for a structurally strong environment for REITs over FY26
- Leased ~17.5msf (+1.4% YoY); occupancy improved ~+360bps YoY to ~92.3% and avg. rents improved to Rs 92.8psf/m (+7.6% YoY) over FY26
- Expect annualised DPU growth of 9.2% over FY27E-29E and REITs to trade at an avg. DPU multiple of 16.6x

Yashas Gilganchi
 Research Analyst
 research@bobcaps.in

Office leasing environment remains constructive, with new supply lagging net absorption by ~-11.7% (~-1.3% avg. over 4Q23-4Q26), pushing down vacancies and improving utilisation over FY26. GCCs accounted for ~40% of GLV and IT-BPM remained the dominant segment accounting for ~27% of FY26 GLV.

Over FY26, REITs under our coverage leased ~17.5msf (+1.4% YoY) and re-leasing spreads were higher at ~+24.6% (~+267bps YoY), driven by **the robust demand for offices in REIT-managed properties**. Utilisation increased across REITs as committed occupancy averaged ~92.3% over FY26 (~+360bps YoY).

Leasable portfolios of REITs under our coverage expanded by +13.2msf (+13.9% YoY) mostly on the back of acquisitions (~9.6msf). We believe that with average blended occupancies of >93%, **expansion in leasable area remains key to driving DPU growth**.

REITs raised Rs 53,195mn of equity and Rs 199,100mn of debt capital, and average cost of debt improved by ~-88bps. However, as we expect interest rates to harden over FY27, we believe **REITs are likely to be limited in their ability to lower average cost of debt any further, over the period**.

In light of the REIT Minimum Alternate Tax (MAT) revisions and related tax-and-regulatory shifts applicable from FY27, we expect REITs to continue operating their SPVs under the old tax regime and write-off accumulated tax credits. However, we **expect no material impact to DPU growth over FY27E-29E as a result of these write-offs**.

We believe that the lease-up of vacant space, contractual lease escalations and incremental income from additional leasable area to the portfolio, will result in **NOI growth of 19.0% over FY27E-29E, translating into annualised DPU growth of 9.2%** (+540bps vs FY24-26, -110bps vs FY26) and **expect REITs under our coverage to trade at an avg. DPU multiple of 16.6x (~flat YoY)**.

Recommendation snapshot

| Ticker | Price | Target | Rating |
|-------------|-------|--------|--------|
| BIRET IN | 319 | 382 | BUY |
| EMBASSY IN | 430 | 505 | BUY |
| MINDSPCE IN | 462 | 521 | HOLD |

Price & Target in Rupees | Price as of 9 Jun 2026



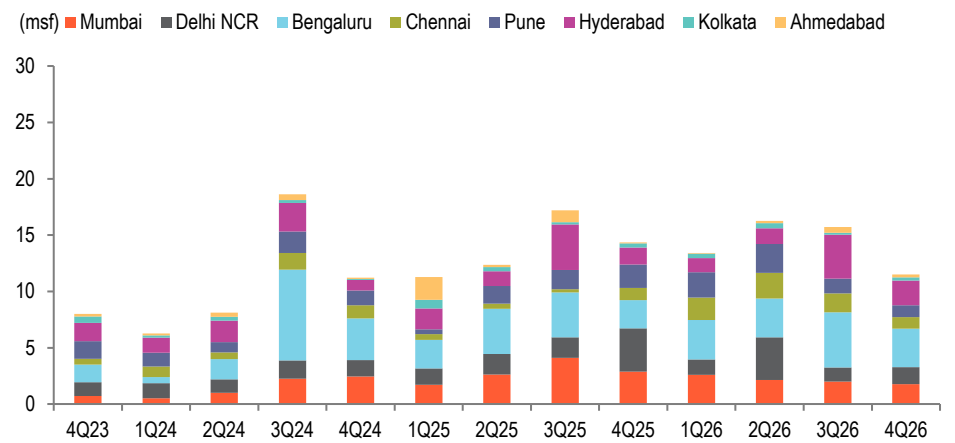
Supportive Macro Economic Environment

Constrained supply: Over FY26, robust demand (led by GCCs) continued to skew towards Grade A office assets. New supply lagged net absorption by ~-11.0% (~-1.3% avg. over 4Q23-4Q26), pushing down vacancies and improving utilisation.

GCCs driving demand: Gross leasing volumes over FY26 were down -34.6% YoY (+3.9% vs avg. over 4Q23-4Q26), with GCCs accounting for ~40% of GLV (structural growth driver). IT-BPM remained the dominant segment, accounting for ~27% of FY26 GLV; followed by Flex-Workspace Operators (~23% of GLV).

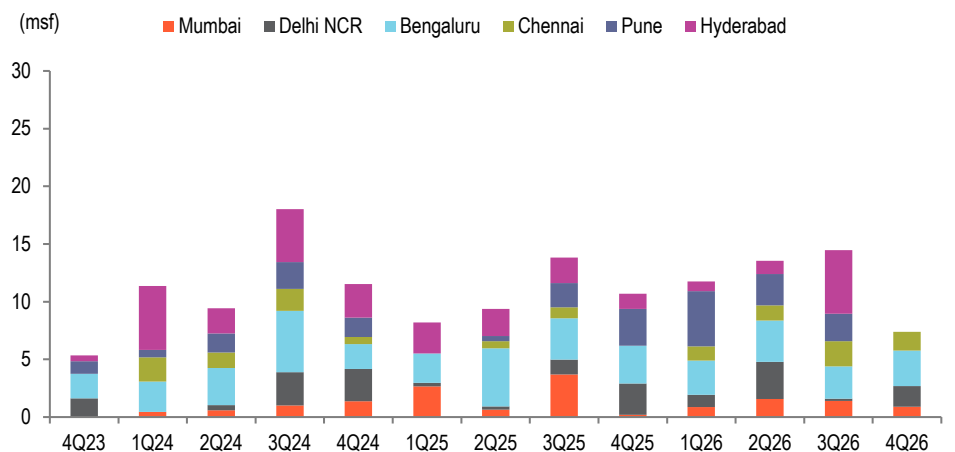
We believe that the **office leasing environment remains constructive for demand to consolidate further into offices managed by REITs**, as demand continues to shift towards professionally managed Grade A offices.

Fig 1 – Net Absorption +3.2% YoY



Source: Cushman & Wakefield, BOBCAPS Research

Fig 2 – Supply +16.2% YoY



Source: Cushman & Wakefield, BOBCAPS Research

Fig 3 – REIT Snapshot

| | EMBASSY | MINDSPACE | BIRET |
|--------------------------|------------|------------|------------|
| Leasable Portfolio (msf) | 43.5 | 32.0 | 32.5 |
| Committed Occupancy | 90.0% | 94.0% | 93.0% |
| WALE (Years) | 8.5 | 7.1 | 6.7 |
| in-place Rent (Rs/psf/m) | 95.0 | 80.4 | 103.0 |
| DPU (Rs) | 6.5 | 6.6 | 5.5 |
| LTV | 30.0% | 24.3% | 34.0% |
| Avg. Cost of Debt | 7.3% | 7.4% | 7.3% |
| Credit Rating | AAA/Stable | AAA/Stable | AAA/Stable |

Source: Company, BOBCAPS Research

Improving Utilisation

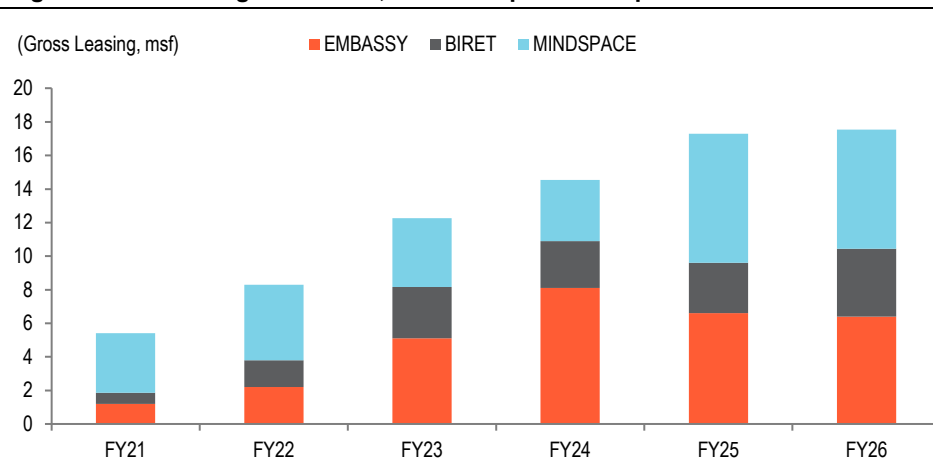
Over FY26, REITs under our coverage leased ~17.5msf (+1.4% YoY), as leasing momentum decelerated for EMBASSY and MINDSPACE (reported leasing volumes - 3.0% and -7.8% YoY, respectively). **BIRET reported the highest increase in leasing volumes (+34.8% YoY)**, despite leasing ~4.04msf over FY26 (~5.85msf peer average).

Re-leasing spreads were higher at ~+24.6% (~+267bps YoY), driven by the robust demand for offices in REIT-managed properties. **MINDSPACE outperformed peers, as it re-leased ~4.2msf at spreads of ~31.8%.**

Utilisation increased across REITs, as committed occupancy averaged ~92.3% over FY26 (~+360bps YoY). **MINDSPACE continued reporting the highest committed occupancy (~94% as of Q4FY26)**. Over the period, in-place rents improved +7.1% YoY (+7.9% CAGR over FY22-25), with **MINDSPACE delivering the highest growth in rents (+13.2% to Rs 80.4psf/m)**.

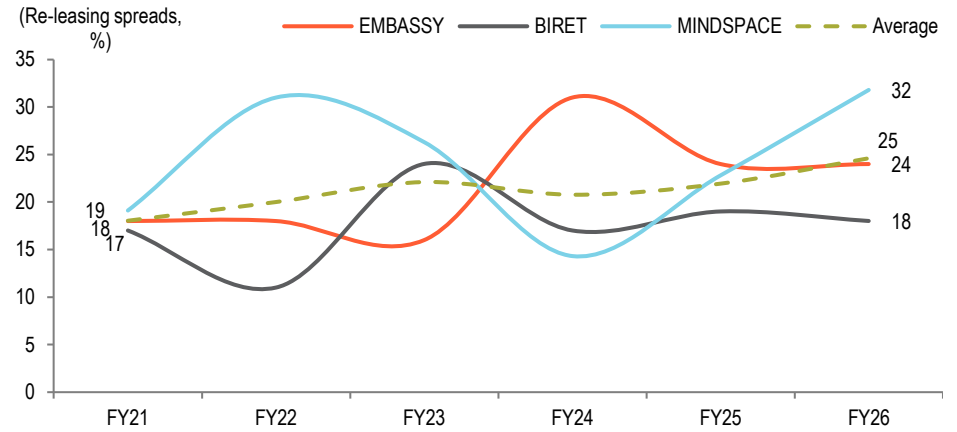
High demand and limited supply helped REITs consolidate leasing into their portfolios, resulting in higher utilisation. **We believe that with average blended occupancies of >93%, the upside to revenues from further improvements to utilisation remain limited; expansion in leasable area remains key to driving DPU growth.**

Fig 4 – Gross leasing +1.4% YoY; BIRET outperformed peers



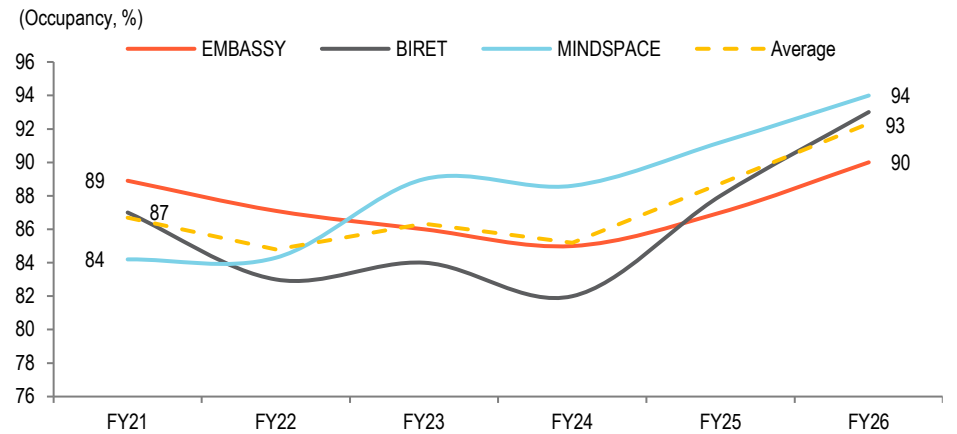
Source: Company, BOBCAPS Research

Fig 5 – Average Re-leasing spreads +267bps YoY



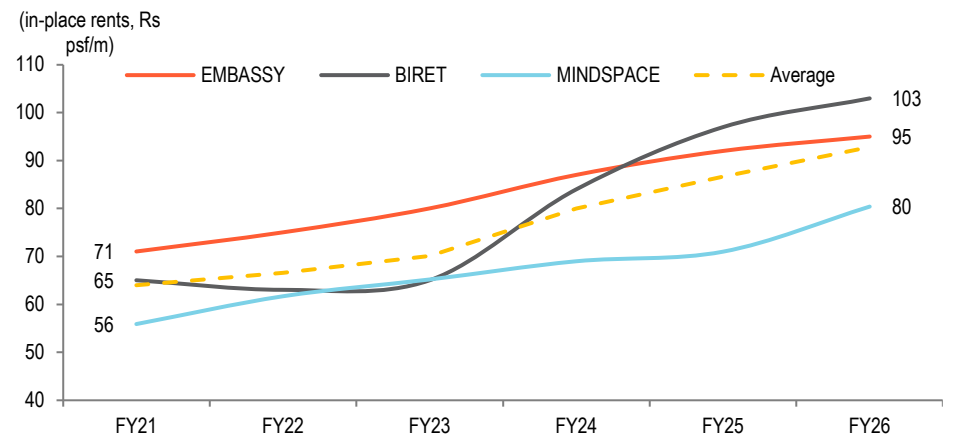
Source: Company, BOBCAPS Research

Fig 6 – Average Committed Occupancy higher +360bps YoY



Source: Company, BOBCAPS Research

Fig 7 – Average in-place rents higher +7.1% YoY



Source: Company, BOBCAPS Research

Superior Growth via Acquisitions

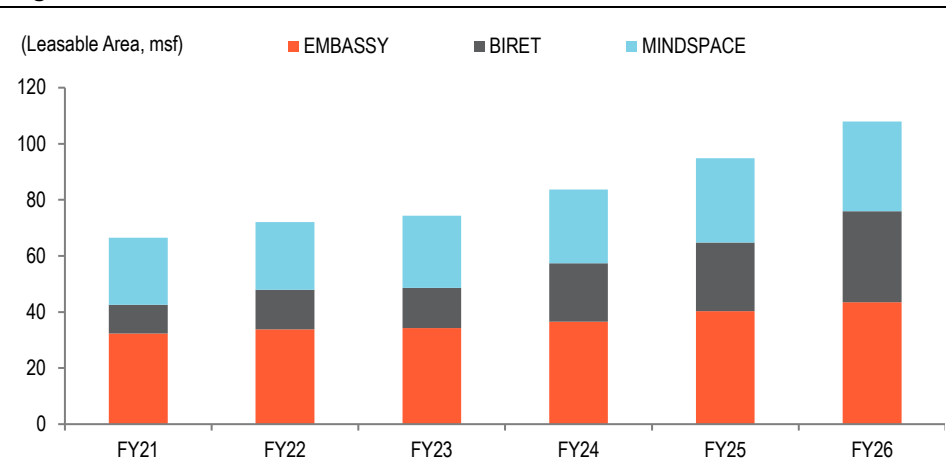
Leasable portfolios of REITs under our coverage expanded by +13.2msf, +13.9% YoY, mostly on the back of acquisitions (~9.6msf). BIRET delivered the largest expansion in leasable area, ~+8msf as the REIT established its presence in Bengaluru.

- **BIRET** expanded leasable area by 32.7% YoY (acquired 7.7msf)
- **EMBASSY** expanded leasable area by 7.9% YoY (acquired 0.3msf and delivered 3.3msf)
- **MINDSPACE** expanded leasable area by 6.7% YoY (acquired 1.61msf and delivered 0.1msf)

We continue to believe that the expansion of leasable area via acquisitions enables faster growth in DPU, as they add to rental revenue from the day of acquisition, diminishing the dilution driven by the issue of incremental capital (especially equity).

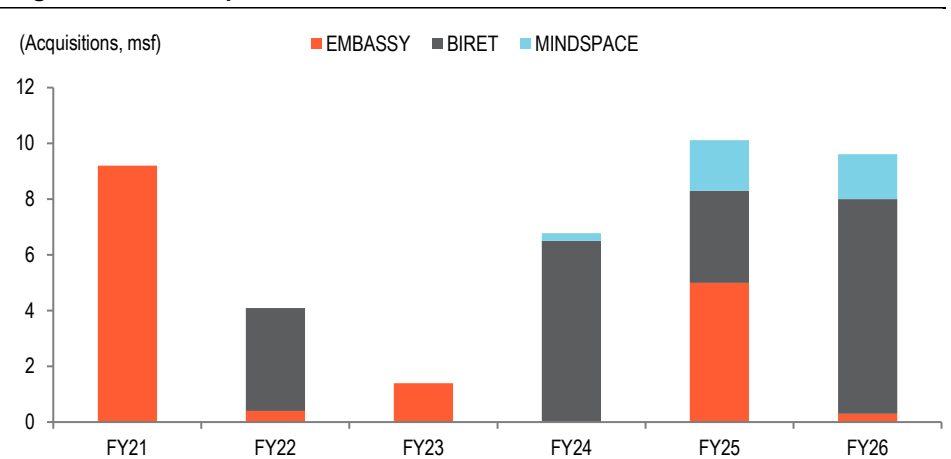
Given the REITs’ track record of acquisitions and with the management increasing open to exploring 3rd party acquisitions, we believe that growth in DPU will remain contingent on the expansion of leasable area via acquisitions.

Fig 8 – Leasable area +13.9% YoY



Source: Company, BOBCAPS Research

Fig 9 – ~9.6msf acquired over FY26



Source: Company, BOBCAPS Research

Funding exposed to Higher Rates

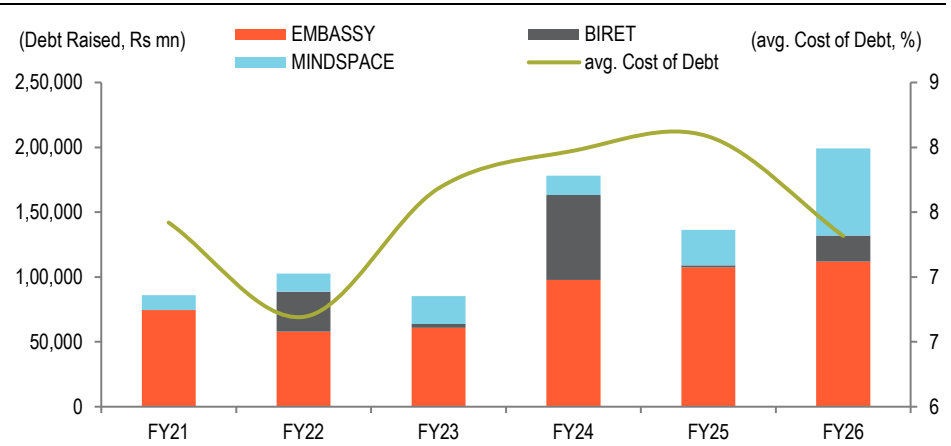
Over FY26, REITs raised Rs 53,195mn of equity and Rs 199,100mn of debt capital, relying predominantly on debt capital to expand leasable area. Over the year, average cost of debt improved by ~88bps, as REITs benefitted from investment grade ratings of their debt in a benign interest rate environment. Leverage (LTV) increased to ~29.4% (+133bps) — fast approaching ~30% LTV — over which REITs are believed to be limited in their ability to negotiate lower re-financing spreads.

However, as we expect interest rates to harden over FY27, we believe REITs are unlikely to lower their average cost of debt any further over the period.

~11.1% of average outstanding debt is expected to expire each year through FY29E.

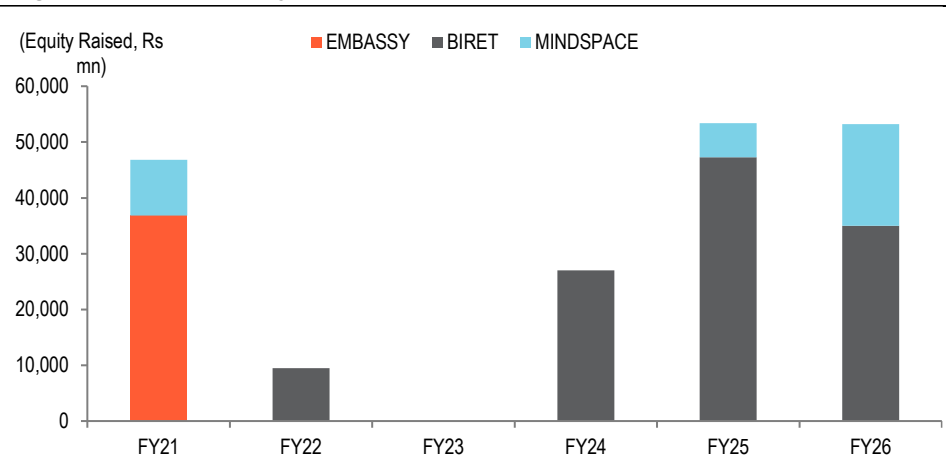
EMBASSY remains the most exposed to re-financing risk, with ~Rs 110.6bn (~50.3% of total outstanding debt) maturing through FY29E. MINDSPACE has ~51.7% of its total outstanding debt expiring over the period.

Fig 10 – ~Rs 199bn debt capital raised over FY26



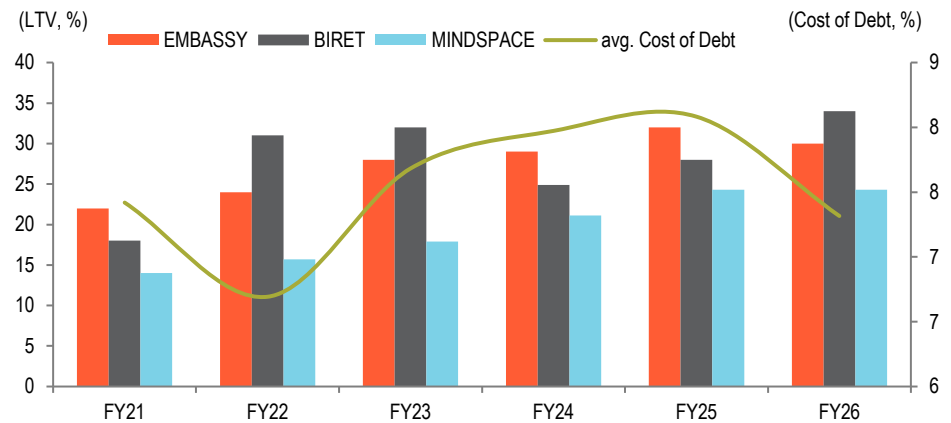
Source: Company, BOBCAPS Research

Fig 11 – ~Rs 53bn equity capital raised over FY26



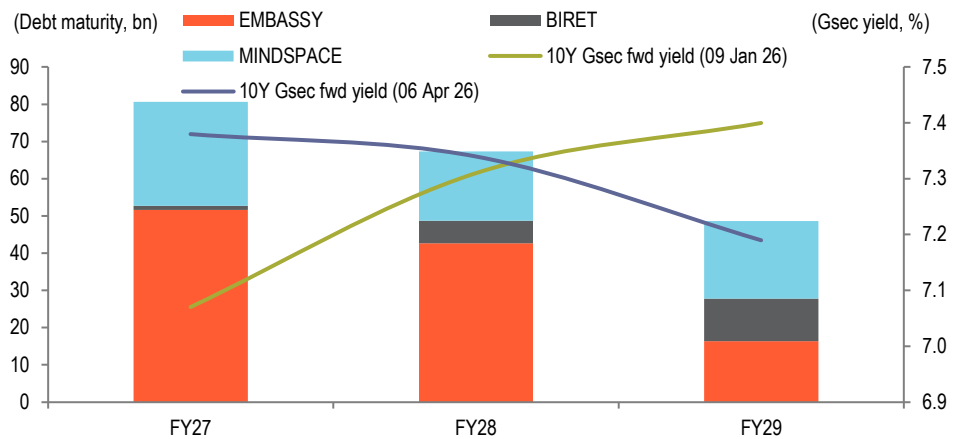
Source: Company, BOBCAPS Research

Fig 12 – Average LTV ~29.4%



Source: Company, BOBCAPS Research

Fig 13 – Debt maturity



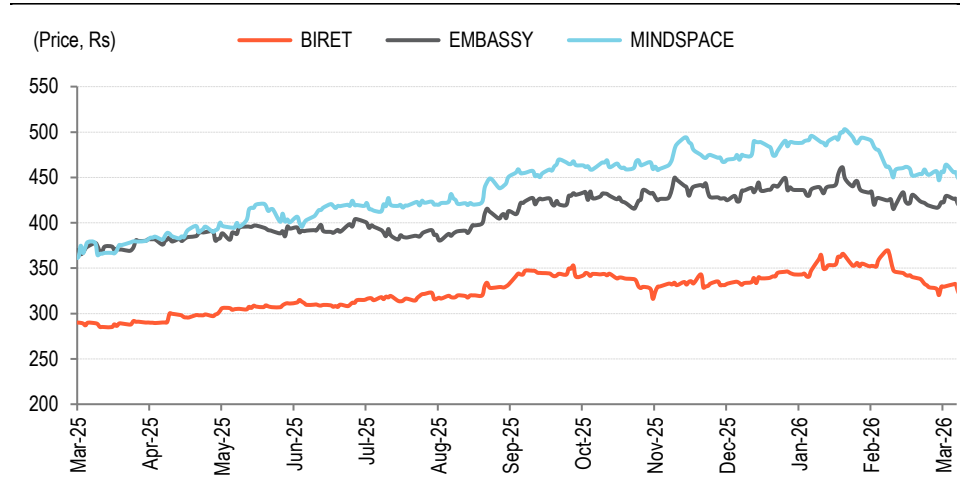
Source: Company, BOBCAPS Research

DPU Growth to Support Valuations

We believe a REIT's value is driven by accretive investments to grow area under management and its ability to grow distributions (driving distribution yields). We expect the lease-up of vacant space, contractual lease escalations and incremental income from additional leasable area to the portfolio — to result in NOI growth of 19.0% over FY27E-29E — translating into annualised DPU growth of 9.2% (+540bps vs FY24-26, -110bps with FY26).

Higher DPU growth over FY26 (+540bps vs FY24-26) has resulted in REITs returning ~+18.7% (price) over the period (vs ~+8.8% CAGR over FY24-FY26) and DPUx expansion of ~+6.4% (DPUx ~flat over FY24-26). However, going forward, we believe that the uncertainty around employment and therefore, office space requirements will likely limit further DPU expansion. We expect REITs under our coverage to trade at an avg. DPU multiple of 16.6x (~flat YoY) over the next one year.

Fig 14 – REITs have returned +18.7% over FY26



Source: Bloomberg, BOBCAPS Research

Fig 15 – DPU growth to support valuations

| | DPU Growth | | | | Average DPUx | | | |
|----------------|-------------|--------------|-------------|----------------|--------------|--------------|--------------|-------------|
| | FY24-26 | FY26 | FY27E-29E | Δ vs FY24-26 | FY24-26 | FY 26 | Fwd Multiple | Δ vs FY26 |
| BIRET | 1.5% | 11.2% | 7.5% | 607 bps | 14.6x | 15.2x | 15.5x | 0.4x |
| EMBASSY | 3.9% | 9.8% | 10.4% | 649 bps | 15.8x | 16.2x | 16.4x | 0.1x |
| MINDSPACE | 6.0% | 9.8% | 9.6% | 364 bps | 17.0x | 18.3x | 17.9x | -0.3x |
| Average | 3.8% | 10.3% | 9.2% | 540 bps | 15.8x | 16.6x | 16.6x | 0.1x |

Source: Company, BOBCAPS Research

Key Risks

- A material slowdown in hiring/employee headcount in the IT/ITeS sector could put occupancy in REIT portfolios under pressure.
- A change in the pace of expansion in leasable area, could limit growth in rents and DPU.
- Higher-than-expected MAT credit write-offs could constrain DPU growth.
- Higher-than-expected interest rates could raise cost of funds for REITs, limiting DPU growth.

Stock performance

Fig 16 – BIRET

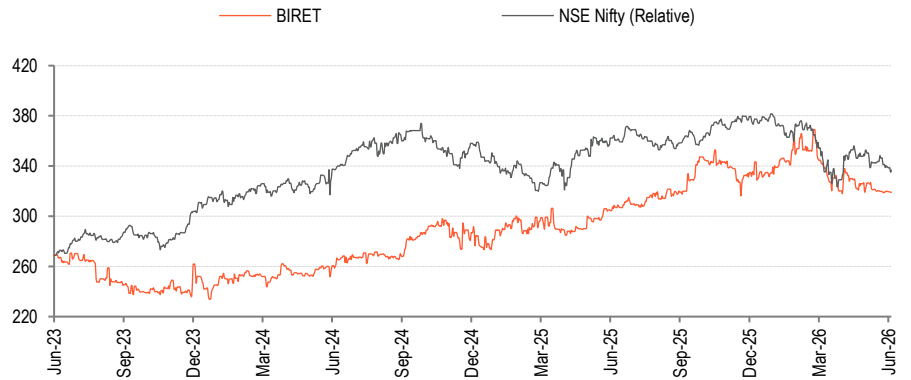


Fig 17 – EMBASSY

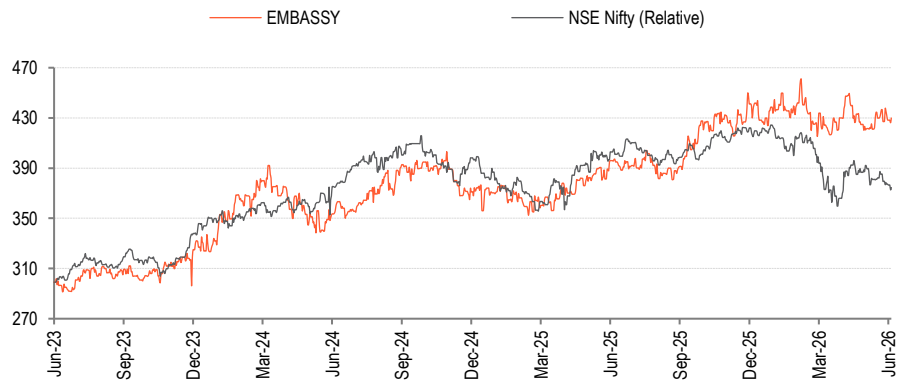
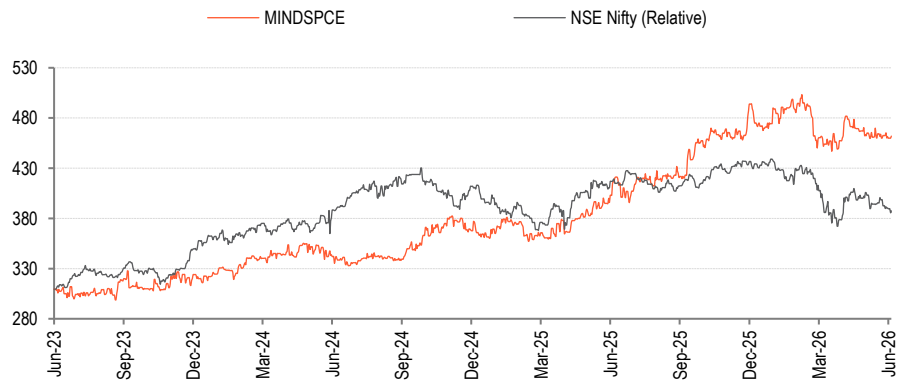


Fig 18 – MINDSPCE



Source: NSE

Financials – BIRET

Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 24,709 | 30,688 | 46,475 | 50,894 | 49,688 |
| EBITDA | 18,113 | 22,429 | 34,831 | 35,625 | 30,086 |
| Depreciation | (4,298) | (4,694) | (5,798) | (5,798) | (5,798) |
| EBIT | 13,815 | 17,735 | 29,033 | 29,827 | 24,288 |
| Net interest inc./(exp.) | (10,745) | (9,748) | (12,688) | (11,819) | (10,956) |
| Other inc./(exp.) | 0 | 0 | 0 | 0 | 0 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 3,070 | 7,987 | 16,345 | 18,008 | 13,332 |
| Income taxes | (883) | (2,217) | (4,875) | (6,568) | (4,367) |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | (541) | (403) | (230) | (237) | (213) |
| Reported net profit | 1,646 | 5,368 | 11,240 | 11,203 | 8,752 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 1,646 | 5,368 | 11,240 | 11,203 | 8,752 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 1,018 | 2,120 | 2,120 | 2,120 | 2,120 |
| Other current liabilities | 1,029 | 1,257 | 1,257 | 1,257 | 1,257 |
| Provisions | 22 | 32 | 32 | 32 | 32 |
| Debt funds | 90,585 | 164,328 | 152,328 | 140,328 | 150,828 |
| Other liabilities | 13,118 | 30,798 | 30,798 | 30,798 | 30,798 |
| Equity capital | 151,107 | 208,120 | 234,120 | 234,120 | 234,120 |
| Reserves & surplus | 8,999 | (12,499) | (19,983) | (28,984) | (42,106) |
| Shareholders' fund | 160,106 | 195,621 | 214,137 | 205,136 | 192,014 |
| Total liab. and equities | 265,878 | 394,156 | 400,672 | 379,671 | 377,049 |
| Cash and cash eq. | 5,746 | 6,742 | 19,056 | 2,353 | 4,029 |
| Accounts receivables | 672 | 1,141 | 1,141 | 1,141 | 1,141 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 1,968 | 2,650 | 2,650 | 2,650 | 2,650 |
| Investments | 235,969 | 360,979 | 355,181 | 350,883 | 346,585 |
| Net fixed assets | 832 | 783 | 783 | 783 | 783 |
| CWIP | 1,751 | 4,637 | 4,637 | 4,637 | 4,637 |
| Intangible assets | 3 | 2 | 2 | 2 | 2 |
| Deferred tax assets, net | 3,909 | 3,328 | 3,328 | 3,328 | 3,328 |
| Other assets | 15,028 | 13,894 | 13,894 | 13,894 | 13,894 |
| Total assets | 265,878 | 394,156 | 400,672 | 379,671 | 377,049 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 19,156 | 22,854 | 29,956 | 29,057 | 25,719 |
| Capital expenditures | (2,875) | (62,955) | 0 | (1,500) | (1,500) |
| Change in investments | 2,035 | 2,476 | 0 | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (840) | (60,479) | 0 | (1,500) | (1,500) |
| Equities issued/Others | 35,000 | 45,000 | 26,000 | 0 | 0 |
| Debt raised/repaid | (41,629) | (20,697) | (12,600) | (17,000) | 0 |
| Interest expenses | (9,387) | (9,131) | (12,688) | (11,819) | (10,956) |
| Dividends paid | (9,432) | (13,785) | (18,954) | (20,441) | (22,087) |
| Other financing cash flows | 9,077 | 17,260 | 600 | 5,000 | 10,500 |
| Cash flow from financing | (16,371) | 38,617 | (17,642) | (44,260) | (22,543) |
| Chg in cash & cash eq. | 1,946 | 992 | 12,314 | (16,703) | 1,676 |
| Closing cash & cash eq. | 5,746 | 6,742 | 19,056 | 2,353 | 4,029 |

Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 3.0 | 7.5 | 13.5 | 13.5 | 10.5 |
| Adjusted EPS | 3.0 | 7.5 | 13.5 | 13.5 | 10.5 |
| DPU | 19.3 | 21.4 | 22.8 | 24.6 | 26.6 |
| Book value per share | 263.4 | 235.7 | 258.0 | 247.2 | 231.4 |

Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 10.7 | 8.6 | 5.7 | 5.2 | 5.3 |
| EV/EBITDA | 14.6 | 11.8 | 7.6 | 7.4 | 8.8 |
| P/DPU | 16.6 | 14.9 | 14.0 | 13.0 | 12.0 |
| P/BV | 1.2 | 1.4 | 1.2 | 1.3 | 1.4 |

DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 53.6 | 67.2 | 68.8 | 62.2 | 65.6 |
| Interest burden (PBT/EBIT) | 22.2 | 45.0 | 56.3 | 60.4 | 54.9 |
| EBIT margin (EBIT/Revenue) | 55.9 | 57.8 | 62.5 | 58.6 | 48.9 |
| Asset turnover (Rev./Avg TA) | 9.5 | 9.3 | 11.7 | 13.0 | 13.1 |
| Leverage (Avg TA/Avg Equity) | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 |
| Adjusted ROAE | 1.2 | 3.0 | 5.5 | 5.3 | 4.4 |

Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|--|--------|-------|-------|-------|--------|
| YoY growth (%) | | | | | |
| Revenue | 33.2 | 24.2 | 51.4 | 9.5 | (2.4) |
| EBITDA | 36.5 | 23.8 | 55.3 | 2.3 | (15.5) |
| Adjusted EPS | 1172.8 | 151.6 | 80.4 | (0.3) | (21.9) |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 73.3 | 73.1 | 74.9 | 70.0 | 60.5 |
| EBIT margin | 55.9 | 57.8 | 62.5 | 58.6 | 48.9 |
| Adjusted profit margin | 6.7 | 17.5 | 24.2 | 22.0 | 17.6 |
| Adjusted ROAE | 1.2 | 3.0 | 5.5 | 5.3 | 4.4 |
| ROCE | 5.4 | 4.7 | 7.6 | 8.2 | 6.8 |
| Ratios (x) | | | | | |
| Gross asset turnover | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current ratio | 0.7 | 0.6 | 1.3 | 0.4 | 0.5 |
| Net interest coverage ratio | 1.3 | 1.8 | 2.3 | 2.5 | 2.2 |
| Adjusted debt/equity | 0.7 | 1.0 | 0.9 | 0.9 | 1.0 |

Source: Company, BOBCAPS Research

Financials – EMBASSY

Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 41,813 | 46,758 | 51,753 | 57,400 | 60,586 |
| EBITDA | 31,888 | 37,843 | 40,210 | 44,784 | 47,460 |
| Depreciation | (17,826) | (12,658) | (12,658) | (12,658) | (12,658) |
| EBIT | 14,061 | 25,185 | 27,553 | 32,126 | 34,802 |
| Net interest inc./(exp.) | (13,286) | (14,950) | (16,373) | (17,508) | (18,091) |
| Other inc./(exp.) | 1,155 | 1,152 | 1,320 | 1,672 | 2,042 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 1,930 | 13,156 | 12,499 | 16,290 | 18,752 |
| Income taxes | 14,123 | (7,950) | (2,106) | (2,940) | (3,519) |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 16,053 | 5,206 | 10,393 | 13,350 | 15,233 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 16,053 | 5,206 | 10,393 | 13,350 | 15,233 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 534 | 1,083 | 1,083 | 1,083 | 1,083 |
| Other current liabilities | 17,854 | 18,929 | 18,929 | 18,929 | 18,929 |
| Provisions | 4 | 11 | 11 | 11 | 11 |
| Debt funds | 198,073 | 223,848 | 249,467 | 262,223 | 267,780 |
| Other liabilities | 45,402 | 52,310 | 52,310 | 52,310 | 52,310 |
| Equity capital | 288,262 | 288,262 | 288,262 | 288,262 | 288,262 |
| Reserves & surplus | (60,651) | (80,460) | (99,631) | (118,986) | (139,113) |
| Shareholders' fund | 227,612 | 207,802 | 188,631 | 169,276 | 149,150 |
| Total liab. and equities | 489,478 | 503,982 | 510,430 | 503,832 | 489,262 |
| Cash and cash eq. | 6,630 | 9,697 | 8,461 | 8,927 | 5,315 |
| Accounts receivables | 820 | 990 | 990 | 990 | 990 |
| Inventories | 45 | 40 | 40 | 40 | 40 |
| Other current assets | 3,645 | 3,971 | 3,971 | 3,971 | 3,971 |
| Investments | 670 | 736 | 736 | 736 | 736 |
| Net fixed assets | 0 | 0 | 0 | 0 | 0 |
| CWIP | 3,129 | 5,835 | 5,835 | 5,835 | 5,835 |
| Intangible assets | 374,115 | 381,777 | 389,461 | 382,397 | 371,439 |
| Deferred tax assets, net | 121 | 160 | 160 | 160 | 160 |
| Other assets | 100,302 | 100,777 | 100,777 | 100,777 | 100,777 |
| Total assets | 489,478 | 503,982 | 510,430 | 503,832 | 489,262 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 30,793 | 35,217 | 37,882 | 41,849 | 44,624 |
| Capital expenditures | (17,510) | (18,796) | (23,267) | (8,518) | (4,625) |
| Change in investments | (1,087) | 456 | 0 | 0 | 0 |
| Other investing cash flows | 2,065 | 1,829 | 1,136 | 1,136 | 1,136 |
| Cash flow from investing | (16,531) | (16,511) | (22,131) | (7,382) | (3,489) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 17,344 | 22,516 | 25,619 | 12,757 | 5,557 |
| Interest expenses | (13,703) | (14,793) | (16,373) | (17,508) | (18,091) |
| Dividends paid | (21,374) | (23,186) | (26,232) | (29,250) | (32,211) |
| Other financing cash flows | (190) | (202) | 0 | 0 | 0 |
| Cash flow from financing | (17,923) | (15,665) | (16,987) | (34,001) | (44,746) |
| Chg in cash & cash eq. | (3,661) | 3,041 | (1,236) | 466 | (3,612) |
| Closing cash & cash eq. | 6,630 | 9,697 | 8,461 | 8,927 | 5,315 |

Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 16.9 | 5.5 | 11.0 | 14.1 | 16.1 |
| Adjusted EPS | 16.9 | 5.5 | 11.0 | 14.1 | 16.1 |
| DPU | 23.0 | 25.3 | 27.7 | 30.9 | 34.0 |
| Book value per share | 240.1 | 219.2 | 199.0 | 178.6 | 157.3 |

Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 9.7 | 8.7 | 7.9 | 7.1 | 6.7 |
| EV/EBITDA | 12.8 | 10.8 | 10.1 | 9.1 | 8.6 |
| P/DPU | 18.7 | 17.0 | 15.5 | 13.9 | 12.7 |
| P/BV | 1.8 | 2.0 | 2.2 | 2.4 | 2.7 |

DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 831.6 | 39.6 | 83.1 | 82.0 | 81.2 |
| Interest burden (PBT/EBIT) | 13.7 | 52.2 | 45.4 | 50.7 | 53.9 |
| EBIT margin (EBIT/Revenue) | 33.6 | 53.9 | 53.2 | 56.0 | 57.4 |
| Asset turnover (Rev./Avg TA) | 8.7 | 9.4 | 10.2 | 11.3 | 12.2 |
| Leverage (Avg TA/Avg Equity) | 2.1 | 2.3 | 2.6 | 2.8 | 3.1 |
| Adjusted ROAE | 7.0 | 2.4 | 5.2 | 7.5 | 9.6 |

Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|--|-------|--------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 7.5 | 11.8 | 10.7 | 10.9 | 5.6 |
| EBITDA | 7.3 | 18.7 | 6.3 | 11.4 | 6.0 |
| Adjusted EPS | 66.5 | (67.6) | 99.6 | 28.5 | 14.1 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 76.3 | 80.9 | 77.7 | 78.0 | 78.3 |
| EBIT margin | 33.6 | 53.9 | 53.2 | 56.0 | 57.4 |
| Adjusted profit margin | 38.4 | 11.1 | 20.1 | 23.3 | 25.1 |
| Adjusted ROAE | 7.0 | 2.4 | 5.2 | 7.5 | 9.6 |
| ROCE | 3.4 | 5.8 | 6.3 | 7.4 | 8.3 |
| Ratios (x) | | | | | |
| Gross asset turnover | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current ratio | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Net interest coverage ratio | 1.1 | 1.7 | 1.7 | 1.8 | 1.9 |
| Adjusted debt/equity | 1.2 | 1.4 | 1.7 | 2.0 | 2.3 |

Source: Company, BOBCAPS Research

Financials – MINDSPACE

Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 26,756 | 32,931 | 40,733 | 45,053 | 48,404 |
| EBITDA | 19,682 | 25,135 | 31,281 | 34,361 | 36,867 |
| Depreciation | (4,060) | (4,790) | (4,958) | (4,958) | (4,958) |
| EBIT | 15,622 | 20,346 | 26,323 | 29,403 | 31,909 |
| Net interest inc./(exp.) | (5,573) | (8,354) | (10,723) | (12,007) | (12,954) |
| Other inc./(exp.) | (334) | 179 | (82) | (82) | (82) |
| Exceptional items | (33) | (448) | 0 | 0 | 0 |
| EBT | 9,682 | 11,723 | 15,518 | 17,314 | 18,873 |
| Income taxes | (4,544) | (4,781) | (6,602) | (7,503) | (8,188) |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 5,137 | 6,943 | 8,916 | 9,812 | 10,686 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 5,137 | 6,943 | 8,916 | 9,812 | 10,686 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Accounts payables | 1,313 | 1,152 | 1,152 | 1,152 | 1,152 |
| Other current liabilities | 10,703 | 13,773 | 13,773 | 13,773 | 13,773 |
| Provisions | 12 | 19 | 19 | 19 | 19 |
| Debt funds | 101,098 | 129,762 | 154,242 | 163,851 | 174,259 |
| Other liabilities | 10,372 | 13,652 | 13,652 | 13,652 | 13,652 |
| Equity capital | 165,821 | 187,154 | 187,154 | 187,154 | 187,154 |
| Reserves & surplus | (17,716) | (29,186) | (37,611) | (47,249) | (57,827) |
| Shareholders' fund | 148,106 | 157,968 | 149,543 | 139,905 | 129,327 |
| Total liab. and equities | 271,603 | 316,325 | 332,380 | 332,351 | 332,182 |
| Cash and cash eq. | 6,379 | 12,176 | 2,985 | 3,739 | 6,783 |
| Accounts receivables | 587 | 521 | 521 | 521 | 521 |
| Inventories | 50 | 54 | 54 | 54 | 54 |
| Other current assets | 6,906 | 6,723 | 6,723 | 6,723 | 6,723 |
| Investments | 39 | 43 | 43 | 43 | 43 |
| Net fixed assets | 0 | 0 | 0 | 0 | 0 |
| CWIP | 648 | 1,278 | 1,278 | 1,278 | 1,278 |
| Intangible assets | 247,740 | 287,898 | 313,144 | 312,361 | 309,148 |
| Deferred tax assets, net | 723 | 599 | 599 | 599 | 599 |
| Other assets | 8,531 | 7,032 | 7,032 | 7,032 | 7,032 |
| Total assets | 271,603 | 316,325 | 332,380 | 332,351 | 332,182 |

Cash Flows

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations | 20,168 | 24,139 | 23,906 | 26,086 | 27,907 |
| Capital expenditures | (14,882) | (12,742) | (30,204) | (4,176) | (1,746) |
| Change in investments | (111) | 5,173 | 0 | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (14,993) | (12,933) | (30,204) | (4,176) | (1,746) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 49,582 | 108,337 | 52,317 | 28,183 | 30,583 |
| Interest expenses | (7,220) | (8,024) | (10,723) | (12,007) | (12,954) |
| Dividends paid | (12,437) | (15,267) | (16,650) | (18,758) | (20,573) |
| Other financing cash flows | (34,653) | (94,233) | (27,837) | (18,574) | (20,174) |
| Cash flow from financing | (4,727) | (9,188) | (2,893) | (21,156) | (23,118) |
| Chg in cash & cash eq. | 448 | 2,019 | (9,190) | 754 | 3,043 |
| Closing cash & cash eq. | 6,379 | 12,176 | 2,985 | 3,739 | 6,783 |

Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 7.8 | 10.1 | 13.1 | 14.5 | 15.9 |
| Adjusted EPS | 7.8 | 10.1 | 13.1 | 14.5 | 15.9 |
| DPU | 22.0 | 24.1 | 25.7 | 28.9 | 31.7 |
| Book value per share | 243.1 | 243.6 | 230.7 | 215.8 | 199.5 |

Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 10.5 | 8.5 | 6.9 | 6.2 | 5.8 |
| EV/EBITDA | 14.3 | 11.2 | 9.0 | 8.2 | 7.6 |
| P/DPU | 21.0 | 19.2 | 18.0 | 16.0 | 14.6 |
| P/BV | 1.9 | 1.9 | 2.0 | 2.1 | 2.3 |

DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 53.1 | 59.2 | 57.5 | 56.7 | 56.6 |
| Interest burden (PBT/EBIT) | 62.0 | 57.6 | 59.0 | 58.9 | 59.1 |
| EBIT margin (EBIT/Revenue) | 58.4 | 61.8 | 64.6 | 65.3 | 65.9 |
| Asset turnover (Rev./Avg TA) | 10.5 | 11.2 | 12.6 | 13.6 | 14.6 |
| Leverage (Avg TA/Avg Equity) | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 |
| Adjusted ROAE | 3.5 | 4.5 | 5.8 | 6.8 | 7.9 |

Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|--|--------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 8.0 | 23.1 | 23.7 | 10.6 | 7.4 |
| EBITDA | 9.4 | 27.7 | 24.5 | 9.8 | 7.3 |
| Adjusted EPS | (11.7) | 29.5 | 29.7 | 10.5 | 9.3 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 73.6 | 76.3 | 76.8 | 76.3 | 76.2 |
| EBIT margin | 58.4 | 61.8 | 64.6 | 65.3 | 65.9 |
| Adjusted profit margin | 19.2 | 21.1 | 21.9 | 21.8 | 22.1 |
| Adjusted ROAE | 3.5 | 4.5 | 5.8 | 6.8 | 7.9 |
| ROCE | 6.4 | 7.6 | 9.3 | 10.4 | 11.3 |
| Ratios (x) | | | | | |
| Gross asset turnover | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current ratio | 0.5 | 0.4 | 0.2 | 0.2 | 0.3 |
| Net interest coverage ratio | 2.8 | 2.4 | 2.5 | 2.4 | 2.5 |
| Adjusted debt/equity | 0.8 | 1.0 | 1.2 | 1.4 | 1.6 |

Source: Company, BOBCAPS Research

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Name of the Research Entity: **BOB Capital Markets Limited**
 Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
 SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
 SEBI Depository Participant Registration No: **IN-DP-728-2022**
 SEBI Merchant Banker Registration No: **INM000009926**
 Phone: +91-22-61389300
 Name of the Compliance Officer: Mr. Sameer Khobrekar
 Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Manoj Pawar
 Email ID: head-customer@bobcaps.in; Phone no: 0+91-22-69417333
 Brand Name: **BOBCAPS**
 Website: <https://www.bobcaps.in/>
 CIN: **U65999MH1996GOI098009**

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