Aditya Birla Real Estate (CENTEX)

CMP: ₹ 1105 | Target ₹ 1620 (47%) | Target Period: 12 months | BUY

October 28, 2026

Collections grow, project launch to drive sales in H2...

About the stock: Aditya Birla Real Estates (ABREL), is the real estate arm of the Aditya Birla group.

- Residential portfolio is well diversified across MMR, NCR, Bengaluru and Pune. Worli comprise more than 50% of the overall portfolio GDV.
- Two operational commercial assets of 6 lakh square feet.

Q2FY27 performance: ABREL reported a mixed set for Q2FY27. Pre-sales came in at ₹ 298 crore -66% YoY (Q1FY27 at ₹ 329 crore) in absence of project launches. MMR, Pune and Bengaluru contributed ₹ 123, ₹ 92 and ₹ 72 crore respectively. It has redesigned phase 3 of project Niyaara increasing potential GDV by ₹ 3000 crore to ₹ 7824 crore. Collections for Q2FY27 grew 47% YoY to ₹ 752 crore. Company secured business worth ₹1650 crore during Q2FY27. Leasing revenue grew 17% YoY to ₹ 36 crore. On financial front company reported Revenue, EBITDA and PAT of ₹ 825, ₹ 160 and ₹ 143 crore. It completed two projects which clocked in EBITDA margins of 28% and 35% respectively. Company received ₹ 3325 crore from sale of pulp and paper business and it has utilised funds to repay debt of ₹ 2191 crore. Thus, net debt has reduced to ₹ 284 crore from ₹ 3438 crore previously.

Investment Rationale:

- **Deferment of Worli project launch to extract higher value:** The company has re-designed the Tower C, Worli after a strategic acquisition of nearby land resulting in increase of ₹ 1900 crore in net GDV. Further, transfer of FSI from the nearby land resulted in overall GDV increase of ₹ 3000 crore in the project. Thus, the total GDV of Tower C, Niyaara is now ~₹ 7824 crore, which is now expected to be launched in Q2FY28E versus earlier target of FY27. For H2FY27 the project launch pipeline now stands revised at ₹4728 crore comprising Taranya, Thane (₹ 1375 crore in Q3FY27), Khar redevelopment (₹ 1631 crore in Q4FY27), Navya, NCR (₹ 710 crore in Q3FY27), Punya, Pune (₹ 583 crore in Q3FY27) and Evam, Pune (₹ 429 crore in Q4FY27). Additionally, sustenance sales potential from ongoing projects is estimated at ₹ 6619 crore, leading to overall pre-sales pipeline of ₹11347 crore for FY27. The management re-iterated its aspirational pre-sales target of ₹ 15,000 crore for FY29.
- **New business development expected to gather pace:** The company added two projects with estimated GDV of ₹ 4250 crore in H1FY27. It added a) redevelopment project in Vashi with 90% revenue share having GDV of ₹2600 crore in August 2026 and b) A premium residential project in Hinjewadi Pune with 75% revenue share with GDV of ₹ 1600 crore. for FY27 it targets ₹ 10,000-15,000 crore business development. Notably, it had added ~₹ 25,000 crore GDV projects during FY25. We continue to monitor its new business developments, which is expected to be a key growth driver for sustainable high-growth post FY27.

Rating and Target Price:

- We retain our BUY rating with a revised Target Price of ₹ 1620/- on project NAV basis.

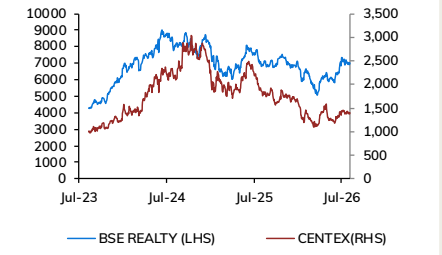
Market data

Particulars	Rs. in crore
Market Capitalisation	12,025
Debt (FY26)	5,636
Cash (FY26)	1,399
EV	16,262
52 Week H/L (Rs.)	1914/1002
Equity Capital	112
Face Value (Rs.)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Sep-26
Promoter	50.2	50.2	50.2	50.2
FII	9.0	9.0	9.3	9.0
DII	16.9	16.4	16.6	16.8
Others	23.9	24.3	23.9	24.0

Price Chart



Key risks

(i) Operational risks in terms of project execution

(ii) Macro risks & Regulatory risks

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Key Financial Summary

Particulars (₹ crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY28E	3-year CAGR (FY26-29E)
Revenues	1101	1219	407	-39.2	1239	3212	3077	96.2
EBITDA	243	30	-362	-	17	918	681	-
EBITDA margin (%)	22	2	-89		1	29	22	
Net Profit	118	-29	-294	-	-64	616	475	-
EPS (Rs)	11	-3	-26		-6	55	42	
P/E (x)	102	-	-		-	20	25	
P/B (x)	3.0	3.1	3.2		3.4	2.9	2.6	
RoCE (%)	2.8	-0.4	-4.6		-0.6	8.6	5.9	
RoE (%)	2.9	-0.7	-7.9		-1.8	14.9	10.3	

Source: Company, ICICI Direct Research

Result Update

ICICI Securities – Retail Equity Research

Q2FY27 – Earnings call summary

- **Guidance:** The company refrained from giving FY27 guidance on account of inherent project approval related uncertainties affecting the timing of launch of projects.
- **Launch pipeline:** The company plans to launch ₹ 4728 crore GDV projects in H2FY27), Taranya, Thane (₹ 1375 crore in Q3FY27), Khar redevelopment (₹ 1631 crore in Q4FY27), Navya, NCR (₹ 710 crore in Q3FY27), Punya, Pune (₹ 583 crore in Q3FY27) and Evam, Pune (₹ 429 crore in Q4FY27).
- **Business Development:** The company has secured business development worth ₹ 1650 crore in October 2026 in a joint development agreement. ABREL has 75% economic interest in the project. YTD FY27 the company has secured business worth ₹6000 crore from a) Vashi redevelopment project (₹2600 crore), b) Pune project (₹1650 crore) and c) GDV addition in Niyaara (₹1900 crore) For FY27 the company targets ₹ 10000-15000 crore business development.
- **Commercial:** It is at designing stage with respect to commercial projects planned at Worli. It plans to develop ~1.3 msf commercial development (one tower) at its Worli land. The construction is expected to begin in Q4FY27. It expects to achieve an annual rental of ~ ₹ 800 crore once it is stabilised from this project. It also plans to develop 5 lakh square feet commercial development at Taranya, Thane project.
- Annuity business: The company plans to scale annual rental income to 150-₹ 200 crore in the near term. It has a longer-term target to scale this to ₹1500 crore annuity income by developing commercial space. For this is has planned spending of ₹1400-1500 crore over the next 4 years and rest through participation in auctions more commercial projects.
- Completion: Two projects were delivered namely Project Tisya and Navya recorded EBITDA of ₹ 181 crore and ₹ 39 crore at EBITDA margins of 28% and 35% respectively.

Exhibit 1: Quarterly trend

Year	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Operating Income	825.0	97.8	743.2	188.9	336.9	Higher revenue booking in residential business, Rental income grew 17% YoY to ₹ 36 crore
Other Income	35.8	15.4	132.8	16.9	112.4	
Total Revenue	860.9	113.2	660.3	205.7	318.5	
Raw materials costs	524.1	43.4	1,107.9	81.3	544.5	
Employees Expenses	59.2	59.7	-0.9	59.8	-1.1	
Other Expenses	82.2	64.9	26.8	103.1	-20.2	
Total Expenditure	665.5	167.9	296.3	244.2	172.6	
EBITDA	159.5	-70.1	-	-55.3	-	
EBITDA margins (%)	19.3	-71.6	-	-29.3	-	Project delivery having embedded margins of 28% and 35%
Interest	0.0	17.7	-100.0	25.8	-100.0	
Depreciation	20.0	15.7	27.0	17.4	15.2	
PBT	175.4	-88.2	-	-81.6	-	
Tax	30.5	-18.7	-	-16.0	-	
Adj. PAT	143.5	-71.0	-	-70.9	-	

Source: Company, ICICI Direct Research

Exhibit 2: FY27 Project launch pipeline

Projects		Location	Ownership	Economic Interest (%)	Total Estimated GDV (₹ crore)	FY27 Launch GDV (₹ crore)	Saleable Area (msft)
MMR	Birla Taranya	Boisar	PE Profit share	54.0	10466.8	1375.1	1.1
	Khar Redevelopment	Khar	Revenue Share	87.0	1631.2	1631.2	0.3
NCR	Birla Navya	Golf Course Extension	Profit Share	50.0	3119.4	710.3	0.3
Pune	Birla Punya	Wellesley Road	Outright	100.0	2822.0	582.6	0.3
	Birla Evam	Manjiri	PE Profit share	54.0	2809.1	429.0	0.5
	Total				**20848.5**	**4728.2**	**2.5**

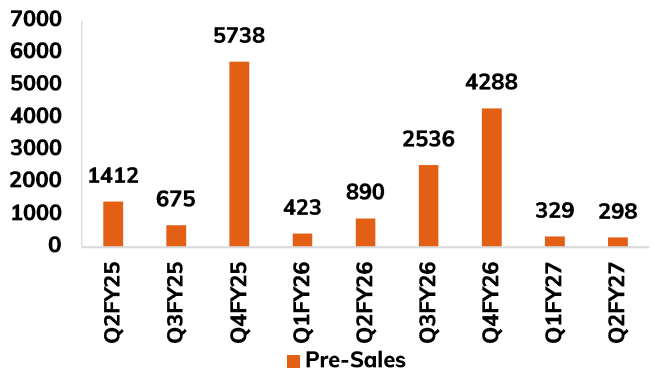
Source: Company, ICICI Direct Research

Exhibit 3: Total project portfolio

Projects		Ownership	Economic Interest (%)	Estimated GDV (₹ crore)	Total Saleable Area (msf)
Ongoing Projects (A)				**31101**	**19.3**
Launch pipeline in 2027 (B)				**4728**	**2.6**
Mumbai	Birla Niraya (Tower C)	Own	100%	7824	1
	Birla Taranya	Outright	56%	6941	3.9
	Worli – New Plot	Own	100%	13787	2.3
	Worli West	Own	100%	2699	0.4
	Vashi Redevelopment	Revenue Share	90%	2638	1
Bengaluru	Birla Trimaya	Profit Share	47%	821	0.6
NCR	Birla Arika	Revenue Share	58%	1199	0.3
	Mathura Road	Revenue Share	64%	3443	1.5
Pune	Birla Evam	Outright	56%	1608	1.6
	Birla Punya	Outright	100%	928	0.4
Future Pipeline (C)				**41889**	13.1
Total Portfolio (A+B+C)				**77718**	**35.0**

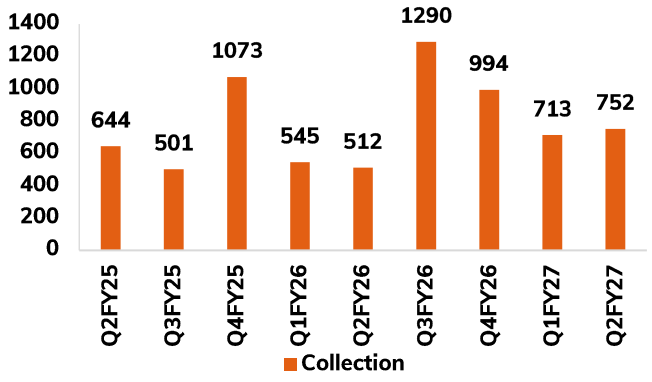
Source: Company, ICICI Direct Research

Exhibit 4: Pre-sales quarterly trend booking



Source: Company, ICICI Direct Research

Exhibit 5: Collections quarterly trend



Source: Company, ICICI Direct Research

Valuation

We value CENTEX on SOTP basis valuing 1) residential projects (ongoing and upcoming) on project NAV basis 2) commercial assets on 7.5% capitalization and 3) Land bank at current land prices. Consequently, we arrive at our SOTP based price target price of ₹ 1620.

CENTEX is currently trading at a discount to its NAV which we believe provides a lucrative buying opportunity considering its high pre-sales growth trajectory over the next three years and estimated new business developments. Consequently, we retain Buy rating on the stock with a price target of ₹ 1620.

Exhibit 6: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	1184
Commercial	Capitalisation at 7.5%	144
Land Bank	At current land prices	358
Less Net Debt		68
Price Target (Rs) (Rounded off)		1620

Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	407	1,441	3,231	4,337
% Growth	(67)	254	124	34
Other income	52	57	63	69
Total Revenue	459	1,498	3,294	4,406
% Growth	(63)	226	120	34
Total Raw Material Costs	169	643	1,535	2,084
Employee Expenses	232	255	280	308
Other expenses	369	405	466	536
Total Operating Expenditure	769	1,304	2,282	2,928
Operating Profit (EBITDA)	(362)	137	950	1,408
% Growth	-	-	591	48
Interest	64	85	85	42
PBDT	(374)	110	928	1,435
Depreciation	70	75	75	75
PBT before Exceptional Items	(444)	35	853	1,360
Total Tax	(139)	9	213	340
PAT before MI	(305)	26	640	1,020
PAT	(294)	26	640	1,020
% Growth	-	-	2,336	59
EPS	(26)	2	57	91

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit before Tax	(267)	35	853	1,360
Depreciation	73	75	75	75
Interest	70	85	85	42
Others	(25)	-	-	-
Cash Flow before WC changes	(148)	195	1,013	1,478
Net Increase in Current Assets	#####	(1,181)	(1,915)	(2,207)
Net Inc in Current Liabilities	3,341	1,469	1,689	1,942
Tax	(119)	(9)	(213)	(340)
Net CF from Operating activities	747	473	573	873
(Purchase)/Sale of Fixed Assets	(87)	(100)	(100)	(100)
Others	(561)	-	-	-
Net CF from Investing activities	(648)	(100)	(100)	(100)
Net Borrowings	609	(0)	(0)	(0)
Interest paid	(252)	(85)	(85)	(42)
Others	(59)	(56)	(56)	-
Net CF from Financing Activities	299	(140)	(140)	(42)
Net Cash flow	398	233	333	731
Opening Cash/Cash Equivalent	1,001	1,399	1,632	1,965
Closing Cash/ Cash Equivalent	1,399	1,632	1,965	2,696

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	112	112	112	112
Reserve and Surplus	3,588	3,558	4,142	5,106
Total Shareholders funds	3,699	3,670	4,254	5,218
Total Debt	5,636	5,636	5,636	5,636
Total Liabilities	9,336	9,306	9,890	10,854
Gross Block	5,236	5,336	5,436	5,536
Acc: Depreciation	3,869	3,944	4,019	4,094
Net Block	1,367	1,392	1,417	1,442
Capital WIP	18	18	18	18
Total Fixed Assets	1,385	1,410	1,435	1,460
Non Current Assets	5,023	5,023	5,023	5,023
Inventory	11,060	12,167	13,992	16,090
Debtors	17	17	17	18
Other Current Assets	1,349	1,424	1,514	1,621
Cash	1,399	1,632	1,965	2,640
Total Current Assets	13,825	15,239	17,487	20,369
Current Liabilities	10,664	12,132	13,821	15,764
Provisions	233	233	233	233
Total Current Liabilities	10,897	12,366	14,055	15,997
Net Current Assets	2,928	2,873	3,432	4,372
Total Assets	9,336	9,306	9,890	10,854

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data				
EPS	(26.3)	2.4	57.3	91.4
Cash per Share	(20.0)	9.1	64.0	98.1
DPS	5.0	5.0	5.0	5.0
BV	331.3	328.7	381.0	472.3
Operating Ratios				
EBITDA Margin	(88.9)	9.5	29.4	32.5
PAT Margin	(72.2)	1.8	19.8	23.5
Return Ratios				
RoE	(7.9)	0.7	15.0	19.3
RoCE	(4.6)	0.7	8.8	12.2
Valuation Ratios				
EV / EBITDA	(45.0)	116.9	16.6	-
P/E	-	-	18.8	11.8
EV / Net Sales	40.0	11.1	4.9	-
Sales / Equity	0.1	0.4	0.8	0.8
Market Cap / Sales	29.6	8.4	3.7	2.8
Price to Book Value	3.2	3.3	2.8	2.3
Working Capital Management Ratios				
Inventory Days	9,914.7	3,081.6	1,580.5	1,354.2
Debtor Days	15.0	4.3	2.0	1.5
Creditor Days	592.9	192.6	98.8	84.7
Asset Turnover	0.0	0.2	0.3	0.4
Solvency Ratios				
Debt / Equity	1.5	1.5	1.3	1.1
Current Ratio	1.3	1.2	1.2	1.3
Quick Ratio	0.3	0.2	0.2	0.3

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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