

October 19, 2026

Aureva revives sales momentum...

About the stock: DLF, founded in 1946, is the largest publicly listed real estate company in India, with presence across residential, commercial and retail properties.

- DLF has a strong land bank (development potential of 188msf (70%+ in Gurgaon) of which ~22msf is under execution.
- DLF holds commercial assets at both parent level and through DCCDL (66.67% stake).

Q2FY27 performance: DLF reported pre-sales of ₹ 3800 crore (down 12% YoY, up 5.8x QoQ) for Q2FY27 led by Dahlias and senior living project launch Aureva. Collections came in at ₹ 2780 crore (up 4% YoY, 16% QoQ). Lower revenue booking led to 23% YoY decline (down 1% QoQ) in consolidated revenues at ₹ 1261 crore for Q2FY27. Further, gross margins and EBITDA margins were lower 258 bps and 1540 bps YoY at 40.5% and 1.9%. Hence, consolidated EBITDA declined 92% YoY (down 84% QoQ) at ₹ 23 crore. Higher other income and income from JV led to 38% YoY growth in adjusted consolidated net profit at ₹ 1302 crore. DCCDL reported total revenue /EBITDA/ adjusted PAT growth of 11%/9%/17% YoY at ₹ 2014 crore/₹ 1537 crore/₹ 752 crore respectively in Q2FY27. The company's net cash surplus (including RERA cash) stood at ₹ 15,084 crore (down ₹ 116 crore QoQ).

Investment Rationale:

- **FY27 pre-sales guidance retained; launch momentum sees revival in Q2:** DLF retained its launch and pre-sales guidance of ₹ 20,000 crore for FY27 (FY26 - ₹ 20,143 crore). H2FY27 launch pipeline projects include 1) Gurgaon New project II (H2FY27) 2) Westpark phase II (during Q3FY27) 3) fresh inventory in Dahlias (experience centre expected to be ready by December 2026). Its current launch pipeline of ₹ 1.14 lakh crore has ₹ 58,230 crore projects which are yet to be launched, providing medium to long term sales visibility. Its OCFs rose 37% YoY (up 41% QoQ) at ₹ 1858 crore. DLF is expected to see revenue inflection from FY28 onwards with commencement of revenue booking of Arbour, followed by Privana and Dahlias.
- **Medium term ~₹ 10,000 crore rental income stay intact:** DLF's rental assets of ~50 msf (DLF/DCCDL - 5.2 msf/44.3 msf) are operating at high occupancy levels of 96% (area-wise) and 97% (value-wise). Exit rentals for FY27 is estimated at ₹ 7550 crore (DLF/DCCDL - ₹ 750 crore/₹ 6800 crore) while it targets exit rentals of ₹ 8200 crore for FY28 (driven by 10-11% growth in existing portfolio with incremental growth from addition of three new malls) and ₹ 10,000 crore over the medium term (~76msf portfolio, DLF/DCCDL - 19 msf/57 msf). Over the next 4-5 years, it expects NOI to grow in mid-teens and PAT at 20-25% CAGR.

Rating and Target Price:

- We retain Buy on the stock with an unchanged SOTP based price target of ₹ 810 (assigning nil premium to NAV).



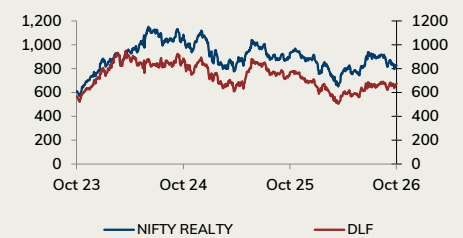
Market data

Particulars	Rs. in crore
Market Capitalisation	1,63,989
Debt (FY26)	45
Cash (FY26)	7,746
EV	156,288
52 Week H/L (Rs.)	798/489
Equity Capital	495
Face Value (Rs.)	2

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	74.1	74.1	74.1	74.1
FII	14.8	13.5	12.3	11.4
DII	5.8	6.9	8.0	9.1
Others	5.3	5.4	5.6	5.4

Price Chart



Key risks

- Regional concentration risk given the sharp appreciation in property prices
- Execution risk in lieu of major project launches
- Diversification risk in newer markets

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Key Financial Summary

Particulars	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	6427.0	7993.7	8194.0	12.9	9276.8	10177.1	11063.8	10.5
EBITDA	2123.6	2108.6	1448.4	-17.4	2280.8	3426.3	3717.9	36.9
EBITDA margin (%)	33.0	26.4	17.7		24.6	33.7	33.6	
Net Profit	2727.1	4670.0	4211.8	24.3	4549.3	5722.3	6294.5	14.3
EPS (Rs)	11.0	18.9	17.0		18.4	23.1	25.4	
P/E (x)	61.2	35.7	39.6		36.7	29.2	26.5	
P/B (x)	4.2	3.9	3.7		3.5	3.3	3.0	
RoCE (%)	4.5	4.2	2.9		4.4	6.4	6.5	
RoE (%)	6.9	11.0	9.3		9.5	11.2	11.5	

Source: Company, ICICI Direct Research

Q2FY27 – Earnings call summary

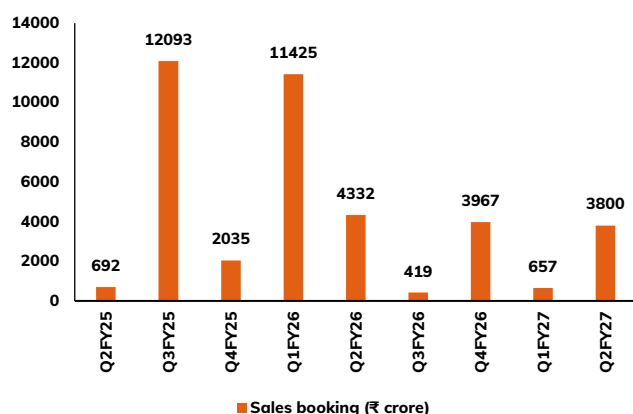
- **Guidance:** DLF maintained pre-sales guidance of ₹ 20000 crore for FY27. The collection run-rate is expected to grow at 10-15% YoY (₹ 13500 in FY26).
- **Launch pipeline:** DLF plans to launch projects having estimated GDV of upto ₹ 14,000 crore in H2FY27E. In Gurugram it plans to launch a Ultra Luxury project in Gurugram (~₹ 9000 crore) and Westpark phase 2 (~₹ 3000 crore) in Mumbai.
- **Dahlias:** DLF achieved bookings of ~₹ 1783 crore in Q2FY27. At present about 70% of inventory of Dahlias is sold, the experience center at the Dahlias is expected to come live by December 2026. The company expects to achieve healthy pre-sales in FY27E at the Dahlias. The project is planned to be completely constructed in 3-4 years.
- **Result highlights:** Pre-sales were ₹ 3800 crore mainly led by the Dahlias and a new Senior Living project Aureva which is sold out at launch in Q2FY27. Collections were at ₹ 2780 crore in Q2FY27. The construction outflow during Q2FY27 was ₹ 695 crore.
- **Rental asset performance:** The company has ~50 million square feet (msf) of rental assets, operating at approximately 96% occupancy. DCCDL rental income grew to ₹ 1481 crores, marking a 11% YoY growth and PAT grew by 17% for the same period. The company has guided exit rental of ~₹ 7550 crore in FY27E.
- **Retail assets:** The retail assets are operating at 97-98% occupancy. Out of the three malls in DLF, two malls are 95-96% leased. Leasing commenced at Promenade, Goa. Construction is going on at Mall of India, Gurugram.
- **Downtown Gurgaon:** The total development is about 7.5 msf of which 2 msf is mall and 5.5 msf is offices comprising of 4 towers (Towers 5,6,7 and 8). The tower 7 is completely leased and the company will open tower 5 and 6 in FY27E for leasing. The construction work is going well and expect to complete by H1FY29. Downtown phase 1 is an iconic tower and its construction will begin after 2-3 years.
- **Downtown, Chennai:** Downtown 3 is fully leased while construction on 4th and 5th towers is going on in full swing. The company expects construction to complete in Q2FY28E.
- **Atrium Place:** It has leased all the four towers and has received OC for three towers.
- **Cash balance:** The company currently holds a cash reserve of ~ ₹ 15,084 crores, with around ₹ 12,270 crores in RERA accounts.

Exhibit 1: Quarterly trend

	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Operating Income	1,261.0	1,643.0	-23.3	1,280.3	-1.5	Lower income indicates lower project handovers
Other Income	1,036.7	618.8	67.5	325.2	218.8	
Total Revenue	2,297.7	2,261.8	1.6	1,605.6	43.1	
Raw materials costs	750.2	935.0	-19.8	714.3	5.0	
Employees Expenses	179.1	146.0	22.6	176.7	1.4	
Other Expenses	308.3	278.5	10.7	239.0	29.0	
Total Expenditure	1,237.6	1,359.5	-9.0	1,130.0	9.5	
EBITDA	23.4	283.6	-91.7	150.3	-84.4	
EBITDA margins (%)	1.9	17.3	-1540 bps	11.7	-988 bps	Decline in margins due to product mix
Interest	18.2	63.1	-71.1	17.6	3.4	
Depreciation	38.2	29.5	29.3	35.1	8.7	
PBT	1,003.7	809.7	24.0	422.8	137.4	
Exceptional items	0.0	-235.2	-	0.0	-	
Tax	201.3	276.3	-27.2	114.7	75.5	
Minority Interest	0.0	0.0	-	0.0	-	
JV Income	499.3	411.6	21.3	485.8	2.8	
Adjusted PAT	1,301.8	944.9	37.8	793.9	64.0	

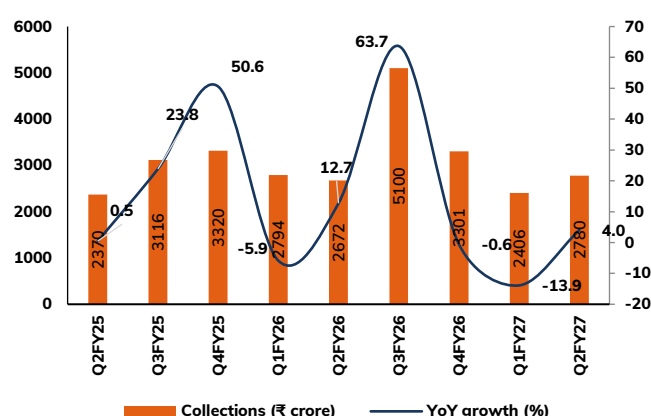
Source: Company, ICICI Direct Research

Exhibit 2: Pre-sales quarterly trend booking



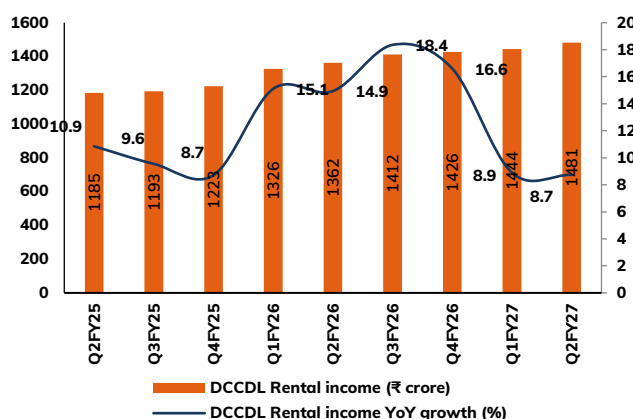
Source: Company, ICICI Direct Research

Exhibit 3: Collections quarterly trend



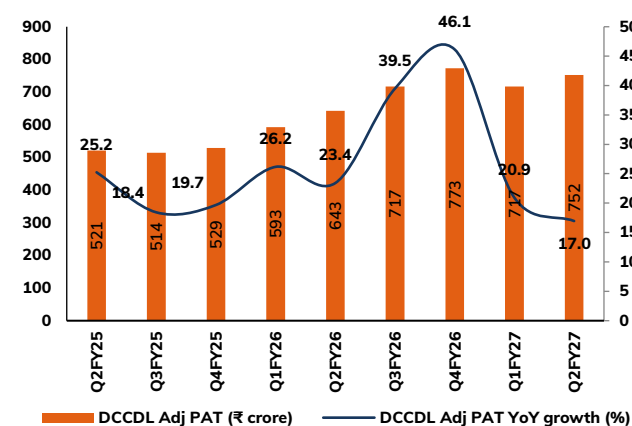
Source: Company, ICICI Direct Research

Exhibit 4: DCCDL rental income trend



Source: Company, ICICI Direct Research

Exhibit 5: DCCDL PAT trend



Source: Company, ICICI Direct Research

Valuation

We value DLF on SOTP basis with different valuation methodology for its residential and commercial assets. We have valued its residential vertical by calculating NAV discounting net post-tax operating cashflows at 12.5% WACC rate. For commercial assets, we use 7.5% capitalisation rate on FY2028 rental income considering its high premium to regional average rental rates and high-quality assets. We value balance land potential for residential and commercial purposes at market value. We retain Buy on the stock with an unchanged SOTP based price target of ₹ 810 (assigning nil premium to NAV).

Exhibit 6: Valuation mix

Particulars	Valuation methodology	Value per share (Rs)
Residential	NAV basis	108
DLF's rental assets	Capitalisation	114
Balance Land bank	Market value	401
DCCDL	Capitalisation	186
Price Target (Rounded Off)		810

Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: Profit and loss statement

₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	8,194	9,277	10,177	11,064
% Growth	3	13	10	9
Other income	1,622	1,036	1,015	1,030
Total Revenue	9,816	10,313	11,192	12,094
% Growth	9	5	9	8
Raw Material Costs	4,849	4,900	4,449	4,834
Employee Expenses	640	704	775	852
Other expenses	1,257	1,392	1,527	1,660
Total Operating Exp.	6,746	6,996	6,751	7,346
Operating Profit (EBITDA)	1,448	2,281	3,426	3,718
% Growth	(31)	57	50	9
Interest	199	4	4	4
PBDT	2,871	3,313	4,437	4,744
Depreciation	142	152	152	152
PBT	2,729	3,161	4,285	4,592
Total Tax	310	822	1,114	1,194
PAT before MI	2,419	2,339	3,171	3,398
PAT	4,212	4,549	5,722	6,294
% Growth	(10)	8	26	10
EPS	17	18	23	25

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement

₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	4,212	4,549	5,722	6,294
Depreciation	142	152	152	152
Interest	199	4	4	4
Cash Flow before WC	1,534	3,317	4,441	4,748
Changes in inventory	(430)	5,911	1,811	2,167
Changes in debtors	(19)	(42)	(86)	(85)
Changes in loans & Advances	(430)	5,911	1,811	2,167
Changes in other current assets	-	-	-	-
Net Increase in Current Assets	(879)	11,780	3,536	4,250
Changes in creditors	5,773	(7,560)	(1,791)	1,528
Changes in provisions	16	-	-	-
Net Inc in Current Liabilities	5,789	(7,560)	(1,791)	1,528
Net CF from Operating activities	6,347	2,647	1,042	4,978
(Purchase)/Sale of Fixed Assets	(116)	(90)	(90)	(90)
Net CF from Investing activities	2,608	(90)	(90)	(90)
Dividend and Dividend Tax	(1,480)	(2,228)	(2,475)	(2,475)
Net CF from Financing Activities	(5,547)	(2,232)	(2,479)	(2,479)
Net Cash flow	3,408	325	(1,528)	2,409
Opening Cash/Cash Equivalent	4,338	7,746	8,072	6,544
Closing Cash/ Cash Equivalent	7,746	8,072	6,544	8,953

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet

₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	495	495	495	495
Reserve and Surplus	44,978	47,300	50,547	54,366
Total Shareholders' funds	45,473	47,795	51,042	54,861
Total Debt	45	45	45	45
Total Liabilities	45,518	47,840	51,087	54,906
Gross Block	3,265	3,355	3,445	3,535
Acc: Depreciation	1,512	1,664	1,816	1,968
Net Block	1,753	1,691	1,629	1,567
Capital WIP	162	162	162	162
Total Fixed Assets	1,915	1,853	1,791	1,729
Non-Current Assets	23,371	23,371	23,371	23,371
Inventory	24,717	22,874	25,094	27,281
Debtors	847	890	976	1,061
Other Current Assets	14,134	10,434	11,174	11,902
Cash	7,746	8,072	6,544	8,953
Total Current Assets	47,446	42,269	43,788	49,197
Current Liabilities	27,026	19,466	17,676	19,204
Provisions	187	187	187	187
Total Current Liabilities	27,213	19,653	17,863	19,391
Net Current Assets	20,232	22,616	25,925	29,806
Total Assets	45,518	47,840	51,087	54,906

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data				
EPS	17.0	18.4	23.1	25.4
Cash per Share	17.6	19.0	23.7	26.0
DPS	8.0	9.0	10.0	10.0
BV	183.7	193.1	206.2	221.6
Operating Ratios				
EBITDA Margin	17.7	24.6	33.7	33.6
PAT Margin	51.4	49.0	56.2	56.9
Return Ratios				
RoE	9.3	9.5	11.2	11.5
RoCE	2.9	4.4	6.4	6.5
Valuation Ratios				
EV / EBITDA	109.2	69.2	46.5	-
P/E	39.4	36.5	29.0	26.3
EV / Net Sales	19.3	17.0	15.7	-
Sales / Equity	0.2	0.2	0.2	0.2
Market Cap / Sales	20.2	17.9	16.3	15.0
Price to Book Value	3.6	3.5	3.2	3.0
Working Capital Management Ratios				
Inventory Days	1,101.0	900.0	900.0	900.0
Debtor Days	37.7	35.0	35.0	35.0
Creditor Days	112.0	184.9	153.0	152.9
Asset Turnover	0.2	0.2	0.2	0.2
Solvency Ratios				
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.7	2.2	2.5	2.5
Quick Ratio	0.8	1.0	1.0	1.1

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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