Keystone Realtors (KEYREA)

CMP: ₹ 362 | Target ₹ 520 (44%) | Target Period: 12 months | BUY

November 5, 2026

Healthy Q2, FY27 guidance maintained...

About the stock: Keystone Realtors (Rustomjee) established in 1995 is one of the prominent MMR based realtors having leadership in redevelopment space. It has successfully housed 19000+ families through several redevelopment projects.

- It has a substantial portfolio of projects spanning the MMR, with 41 Completed Projects, 19 Ongoing Projects and 19 Forthcoming Projects. So far, it has delivered over 30+ msf, with a pipeline of over 45 msf of construction area in the works.

Q2FY27 performance: Keystone Realtors reported a strong operational set for Q2FY27 with presales at ₹ 1423 crore up 84% YoY and 131% QoQ. Collections came in at ₹ 541 crore (-19% YoY and -10% QoQ). H1FY27 sales and collection at ₹ 2041 and ₹ 1141 crore up 11% and -8% YoY. H1FY27 sales forming 41% of FY27E guidance of ₹ 4500-5000 crore. Keystone launched 'Rustomjee Ozone Skye' in Malad and began construction of commercial project '25HQ' in Prabhadevi having estimated GDV of more than ₹ 2100 crore. It secured two business developments during H1FY27 with 1.4 msf and estimated GDV of ₹ 547 crore. It has completed 3 projects in Q2FY27 with total construction area of 1.32 msf Rustomjee La Familia tower A, B & C. Company has also tied up with Singapore based Tiong Seng to set up in-house precast plant.

Investment Rationale:

- **Pre-sales guidance for FY27 retained on the back of strong launch pipeline:** KRL maintained its pre-sales guidance of ₹ 5000 crore (+24% YoY) for FY27 (H1FY27 - ₹ 2040 crore, up 11% YoY) and ₹ 10,000 crore vision for FY30. The same is expected to be driven by strong sustenance sales (~93% mix in H1FY27) owing to ₹ 9813 crore and ₹ ₹ 3128 crore GDV launches during FY26 and FY27 till date. Further, it retained its launch guidance of ₹ 8000 crore for FY27. Key launches slated for Q4FY27 launch include Urbania – 1 tower (Thane), Urban woods – 2 towers (Dombivli), GTB Nagar Ph I (Sion) and Avinash tower (Versova). Dindoshi cluster (Goregaon East) and Om Nagar Ph I (Andheri East) are expected to be launched in H1FY28. KRL has an unsold inventory (ongoing + forthcoming) of ~₹ 55,000 crore which is expected to generate more than ₹ 15,000 crore operating cash flows (company's share).
- **BD target of ₹ 8000 crore for FY27; pivoting towards building annuity stream:** KRL has added 27 projects since FY23 having estimated GDV of ~₹ 31,100 crore. It added two projects having GDV of ~₹ 550 crore during Q1FY27 and retained ₹ 8000 crore new project additions target for FY27. It is eyeing redevelopment projects in Versova, Bandra, Andheri, Mahim along with projects in eastern Mumbai and plotted development projects. It expects to close three large projects of ₹ 1000 crore each in Western Mumbai region. On annuity business front, it commenced construction of 25HQ at Prabhadevi in Q2FY27, a pivot towards securing long-term recurring annuity income. It also plans to commence construction of commercial assets on 1.1 msf in Thane in current fiscal year on lease and sale platform.

Rating and Target Price:

- We lower our SOTP based target price to ₹ 520 factoring lower new business development run-rate while retain our Buy rating on the stock.

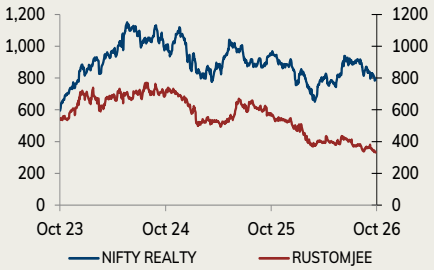
Market data

Particulars	Rs. in crore
Market Capitalisation	4,643
Debt (FY26)	1,463
Cash (FY26)	882
EV	5,224
52 Week H/L (Rs.)	566/327
Equity Capital	126.2
Face Value (Rs.)	10.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	74.6	74.6	74.6	74.6
FII	3.1	2.5	2.4	2.4
DII	16.6	17.1	16.4	16.4
Others	5.7	5.7	6.7	6.7

Price Chart



Key risks

(i) Delay in under-construction residential projects

(ii) Inability to acquire new residential project

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Particulars (₹ crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	2222.3	2004.1	2634.5	8.9%	2839.2	3612.4	4560.0	20.1%
EBITDA	109.5	215.3	122.1	5.6%	388.2	660.4	856.8	91.4%
EBITDA margin (%)	4.9	10.7	4.6		13.7	18.3	18.8	
Net Profit	112.2	172.0	78.9	-16.2%	249.7	444.3	598.7	96.5%
EPS (Rs)	8.9	13.6	6.2		19.8	35.2	47.4	
P/E (x)	45.0	29.4	64.0		18.0	10.1	7.6	
P/B (x)	2.8	1.8	1.8		1.4	1.3	1.1	
RoCE (%)	3.6	5.5	2.4		7.1	11.4	13.4	
RoE (%)	6.3	6.2	2.7		7.9	12.3	14.2	

Source: Company, ICICI Direct Research

Q2FY27 – Earnings call summary

- **Guidance:** Rustomjee maintained pre-sales guidance of ₹ 4500-5000 crore for FY27E. Project launch of ~₹ 5000 crore during H2FY27E. And aspirational presales of ₹ 10,000 crore by FY30E. On the plotted development the company expects to achieve annual sales of ₹ 500-750 crore with EBITDA margin of ₹ 100-150 crore over the long term.
- **Launch pipeline:** Rustomjee plans to launch projects with 3.12 msf having estimated GDV of upto ₹ 5,000 crore in H2FY27E. It plans to launch Urban Woods, Dombivli (~₹ 1100 crore), Avinash Towers, Versova (~₹ 1200 crore) Urbania Thane (~₹ 1200 crore) and Phase 1 of clusters of GTB Nagar. The Dindoshi and Om Nagar (Andheri E) cluster projects are expected to be launched in H1FY28E.
- **Project delivery:** The company delivered project La Familia (Urbania, Thane) tower A, B & C with estimated GDV of ₹ 1300 crore which delivered EBITDA margin of 16%.
- **Legacy Orders:** The legacy orders comprising lower margins to phase out in FY27E as the company transitions into percentage completion method thus reflecting margins of ongoing projects.
- **Capex:** It incurred an investment of ₹425 crore in new projects in H1FY27.
- **Cash balance:** The company currently holds a cash of ~ ₹ 705 crore, net debt to equity ratio of 0.04x.

Exhibit 1: Q2FY27 consolidated results overview (₹ crore)

(Year)	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Operating Income	**496.7**	**499.3**	**-0.5**	**470.3**	**5.6**	Lower revenue on lower construction activity during the period
Other Income	16.4	21.6	-24.1	23.0	-28.6	
Total Revenue	**513.1**	**520.9**	**-1.5**	**493.3**	**4.0**	
Raw materials costs	320.6	382.1	-16.1	285.0	12.5	
Employees Expenses	45.0	39.6	13.7	47.5	-5.3	
Other Expenses	73.3	62.2	17.8	55.6	31.9	
Total Expenditure	438.9	483.9	-9.3	388.1	13.1	
EBITDA	**57.8**	**15.4**	**275.3**	**82.2**	**-29.6**	
EBITDA margins (%)	**11.6**	**3.1**	**856 bps**	**17.5**	**-584 bps**	Margin expansion YoY on higher margin projects as company transitions to percentage completion method
Interest	31.8	15.7	102.4	30.6	4.1	
Depreciation	5.9	4.0	46.6	5.4	9.1	
PBT	**36.6**	**17.3**	**111.1**	**69.2**	**-47.2**	
Tax	9.1	7.0	29.4	18.0	-49.5	
Minority Interest	0.7	1.3	-45.5	-0.8	-194.8	
Income from Assoc.	73.2	-0.4	-	1.1	-	
PAT	**100.0**	**8.5**	**1069.8**	**53.1**	**88.2**	profit recognition on project delivery

Source: Company, ICICI Direct Research

Exhibit 2: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Completed)	Project NAV basis	164
Residential (Upcoming)	Project NAV basis	288
Business Development	Over the next two years	76
Less: Net Debt		10
Price Target (Rs) (Rounded)		**520**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	**2,635**	**2,839**	**3,565**	**4,560**
% Growth	31	8	26	28
Other income	82	91	100	110
Total Revenue	2,717	2,930	3,665	4,670
% Growth	28	8	25	27
Raw Material Costs	2,088	1,987	2,353	3,010
Employee Expenses	163	180	207	238
Other expenses	261	284	357	456
Total Operating Exp.	2,512	2,451	2,916	3,703
EBITDA	**122**	**388**	**649**	**857**
% Growth	(43)	218	67	32
Interest	79	111	128	128
PBDT	125	367	621	839
Depreciation	18	23	28	28
PBT	**107**	**344**	**593**	**811**
Profit/(Loss) from JV	2	-	-	-
Total Tax	16	87	149	204
PAT before MI	94	258	444	607
PAT	**79**	**250**	**436**	**599**
% Growth	(54)	217	75	37
EPS	**6**	**20**	**35**	**47**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	**79**	**250**	**436**	**599**
Depreciation	19	23	28	28
Interest	136	111	128	128
Cash Flow before WC changes	213	388	649	857
Change in working capital	(682)	(600)	(557)	(677)
Tax paid	(40)	(87)	(149)	(204)
Net CF from Operations	**(509)**	**(299)**	**(57)**	**(25)**
(Purchase)/Sale of Fixed Assets	(8)	(12)	(12)	(12)
Others	135	91	100	110
Net CF from Investing	**127**	**79**	**88**	**98**
Inc/(Dec) in Loan	780	500	-	-
Dividend and Dividend Tax	(19)	-	-	-
Others	(343)	(111)	(128)	(128)
Net CF from Financing	**418**	**389**	**(128)**	**(128)**
Net Cash flow	36	168	(97)	(55)
Opening Cash	846	882	1,051	953
Closing Cash	**882**	**1,051**	**953**	**899**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	126	126	126	126
Reserve and Surplus	2,768	3,026	3,470	4,076
Total Shareholders' funds	**2,894**	**3,152**	**3,596**	**4,203**
Total Debt	1,463	1,963	1,963	1,963
Total Liabilities	**4,358**	**5,116**	**5,559**	**6,166**
Gross Block	441	453	465	477
Acc: Depreciation	75	98	126	154
Net Block	366	355	339	323
Capital WIP	-	-	-	-
Total Fixed Assets	**366**	**355**	**339**	**323**
Non-Current Assets	593	593	593	593
Inventory	3,669	4,403	5,284	6,341
Debtors	339	346	353	360
Other Current Assets	861	953	1,063	1,196
Cash	882	1,051	953	899
Total Current Assets	**5,751**	**6,752**	**7,653**	**8,795**
Current Liabilities	2,323	2,556	2,997	3,516
Provisions	29	29	29	29
Total Current Liabilities	**2,352**	**2,584**	**3,026**	**3,545**
Net Current Assets	3,399	4,168	4,628	5,250
Total Assets	**4,358**	**5,116**	**5,559**	**6,166**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data				
EPS	6.2	19.8	34.5	47.4
Cash per Share	7.7	21.6	36.8	49.7
DPS	-	-	-	-
BV	227.2	247.0	281.6	329.1
Operating Ratios				
EBITDA Margin	4.6	13.7	18.2	18.8
PAT Margin	3.0	8.8	12.2	13.1
Return Ratios				
RoE	2.7	7.9	12.1	14.2
RoCE	2.4	7.1	11.2	13.4
Valuation Ratios				
EV / EBITDA	38.5	13.0	7.9	-
P/E	57.9	18.3	10.5	7.6
EV / Net Sales	1.8	1.8	1.4	-
Sales / Equity	0.9	0.9	1.0	1.1
Market Cap / Sales	1.6	1.5	1.2	0.9
Price to Book Value	1.6	1.5	1.3	1.1
Working Capital Management Ratios				
Inventory Days	508.4	566.1	540.9	507.5
Debtor Days	47.0	44.5	36.1	28.8
Creditor Days	146.0	149.0	142.4	133.6
Asset Turnover	0.6	0.6	0.6	0.7
Solvency Ratios				
Debt / Equity	0.5	0.6	0.5	0.5
Current Ratio	2.4	2.6	2.5	2.5
Quick Ratio	0.9	0.9	0.8	0.7

Source: Company, ICICI Direct Research

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