Max Estates (MAXEST)

CMP: ₹ 509 | Target ₹ 680 (34%) | Target Period: 12 months | BUY

November 9, 2026

New project additions improve upon pre-sales visibility

About the stock: Max Estates Limited (MEL), is the real estate arm of Max Group, primarily focused in the Delhi-NCR region across residential and commercial developments.

- Residential portfolio comprises ~₹ 44,710 crore GDV (launch pipeline of ~₹ 29,000+ crore).
- Commercial assets rental income expected to scale up to ₹ 700 crore (company's share ~₹ 350 crore) over five years from ₹ 158 crore in FY26.

Q2FY27 performance: Max Estates reported revenue, EBITDA and PAT of ₹ 52.8, ₹ 5.2 and ₹ 1.1 crore in Q2FY27. Commercial leasing remained steady, with lease rental income at ₹ 39 crore, while Max Asset Services revenue grew 28% YoY to ₹ 16.5 crore. Total leased area stood at 1.3 mn sq ft as of Sep 2026. Earlier Max estate reported strong operational update for Q2FY27 with presales at ~₹ 2092 crore up ~ 12.5 times YoY. Collections stood at ~₹ 560 crore. It received exceptional response for its project Estate 361 with ₹ 962 crore and Project Max one with ₹ 584 crore presales in Q2FY27. H1FY27 presales at ₹ 3184 crore (~60% of FY26 presales) as against ₹ 373 crore in H1FY26.

Investment Rationale:

- **Pre-sales pipeline scaled to over ₹ 29,000 crore:** MEL added two new projects at Ghazibad (~1.5 msf development potential) and West Delhi (~6 msf) having aggregate GDV of ~₹ 15,000 crore. The same has scaled up its overall project portfolio GDV to ~₹ 44,710 crore, out of which it has launched and sold ₹ 15,652 crore. Consequently, it has ₹ 29,058 crore balance pre-sales potential (new launches - ₹ 25,950 crore, sustenance sales - ₹ 3108 crore) providing strong medium to long-term pre-sales visibility. It plans to launch ~₹ 3900 crore sector 59, Gurugram project in Q3FY27, which along with contribution from sustenance sales (₹ 3108 crore inventory) is expected to drive FY27 pre-sales. The embedded PBT from launched projects (₹ 18,760 crore) is estimated at a robust ₹ 4800-5700 crore (~26-30%). It has a 13.2 msf business development pipeline with an aspirational target of adding ~3msf of projects.
- **Pre-leasing of Under-construction annuity assets healthy:** MEL has three operational assets totalling ~1.5 msf, operating at 100% occupancy and over 90% EBITDA margins (₹ 158 crore rental income in FY26). Its under-construction assets Max Square Two (~1 msf) and Max District (~1.6 msf) are pre-leased 34% and 20% respectively at 25%+ and 35%+ premium to micro-market ahead of 1+ and 2+ years before Occupancy Certificate. Overall commercial portfolio is poised for an annuity rental income potential of over ₹ 700 crore on a 100% basis in the next five years. (company's share ~₹ 350 crore).

Rating and Target Price:

- We retain Buy on the stock with a revised SOTP based price target of ₹ 680 (factoring newly acquired projects and assigning nil premium to NAV).

Market data

Particulars	Rs. in crore
Market Capitalisation	7,989
Debt (FY26)	2,379
Cash (FY26)	615
EV	9,753
52 Week H/L (Rs.)	504/305
Equity Capital	161.0
Face Value (Rs.)	10.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	44.9	45.3	45.3	45.2
FII	25.7	25.9	25.8	26.3
DII	7.8	7.7	8.2	8.7
Others	21.7	21.2	20.7	19.7

Price Chart



Key risks

(i) Delay in under-construction annuity & residential projects

(ii) Inability to acquire new residential projects

(iii) Geographic concentration

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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	2-year CAGR (FY26-28E)
Revenues	92.9	160.5	199.5	46.5%	231.0	2138.1	327.4%
EBITDA	17.8	44.4	23.7	15.6%	75.5	747.2	561.1%
EBITDA margin (%)	19.1	27.7	11.9		32.7	34.9	
Net Profit	2.3	40.8	12.5	133.9%	37.6	546.8	661.0%
EPS (Rs)	0.1	2.5	0.8		2.3	33.5	
P/E (x)	3458.1	193.8	632.1		221.0	15.4	
EV/EBITDA (x)	480.5	190.1	407.7		142.4	14.0	
RoCE (%)	-0.4	0.5	-0.2		0.8	12.7	
RoE (%)	0.2	1.8	0.5		1.5	18.2	

Source: Company, ICICI Direct Research

Q2FY27 – Earnings call summary

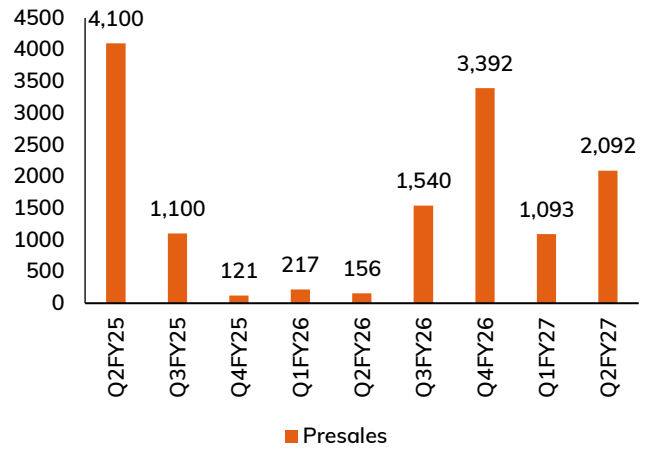
- **FY27 launch pipeline:** It targets to launch sector 59, Golf Course Extension Road, Gurugram project having- GDV of ₹ 3900+ crore in Q3FY27. Going ahead it has a project launch pipeline of ₹ 29,000 crore, which include phase 2 of estate 105 (₹ 3000 crore) and estate 361, which it plans to launch in next year (FY28E) and remaining after FY28E.
- **Collections:** During Q2FY27, collections stood at ₹ 560 crore, up 100% YoY taking H1FY27 collections to ₹ 1100 crore. The company expects collections of ₹ 2500-3000 crore during FY27E.
- **Business Development:** Max Estate secured multiple business deals worth ₹12,500-15,000 crore. it secured a long term (5-7 ears) land parcel of 85 acre (4-6 msf) with estimated GDV of ₹ 10000-12000 crore in West Delhi and a 9.8 acre land in Ghaziabad with estimated GDV of ₹ 2500-3000 crore. The company has 10 projects under active consideration with a potential of 13.2 msf (Exhibit 6). The company maintained its annual Business Development target of ~2 msf residential and 1 msf commercial projects per annum.
- **Commercial portfolio:** Under-construction assets remain on track and will materially scale the annuity portfolio. Max Square Two (1 msf) is expected to receive its OC by Q2FY28, adding ₹ 125 crore to annuity income. Max District (~1.6 msf) will be delivered in two phases — Q2FY28 and Q3FY29 — adding ₹ 225+ crore to annuity income. Together, these two assets will add ₹ 350+ crore to the annuity portfolio upon full completion. Overall commercial portfolio is poised for an annuity rental income potential of over ₹ 700 crore on a 100% basis (across delivered, under construction and in acquisition), in the next five years. Further the company is now working to increase its peak annual rental from ₹ 700 crore to ₹ 1000 crore.
- Capex: The company expects to deploy ₹1500 crore for projects in FY27E.
- **Net Debt:** The company's gross debt stands at ₹ 2117 crore (including LRDs of ₹ 944 crore) and cash & cash equivalents of ₹ 1898 crore translating to net debt of ₹ 219 crores.

Exhibit 1: Quarterly trend

Year	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Operating Income	52.8	48.8	8.2	51.9	1.6	Leasing revenue steady, Asset services grew 28% YoY
Other Income	26.6	25.9	2.7	28.2	-5.7	
Total Revenue	79.3	74.6	6.3	80.1	-0.9	
Raw materials costs	0.0	0.0	-	0.0	-	
Employees Expenses	8.5	7.1	19.5	11.0	-23.2	
Other Expenses	39.1	31.6	23.6	32.8	19.2	
Total Expenditure	47.5	38.7	22.9	43.8	8.6	
EBITDA	5.2	10.1	-	8.1	-	
EBITDA margins (%)	9.9	20.7	-1077 bps	15.6	-573 bps	Higher advertising and marketing expenses led to margin decline
Interest	16.4	16.3	0.9	16.7	-1.8	
Depreciation	8.2	8.0	2.1	8.2	0.5	
PBT	7.2	11.6	-	11.4	-	
Tax	2.5	3.8	-	3.0	-	
Minority Interest	3.6	0.6	-	3.6	-	
PAT	1.1	7.3	-	4.8	-76.5	

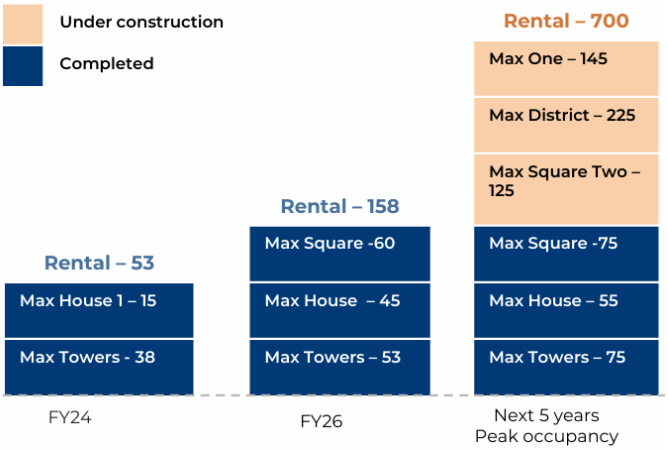
Source: Company, ICICI Direct Research

Exhibit 2: Pre-sales quarterly trend booking



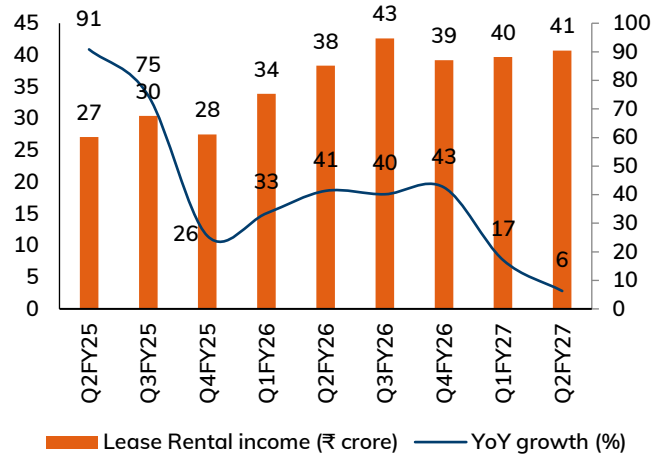
Source: Company, ICICI Direct Research

Exhibit 3: Commercial -annuity portfolio (100%[2]) (₹ crore)



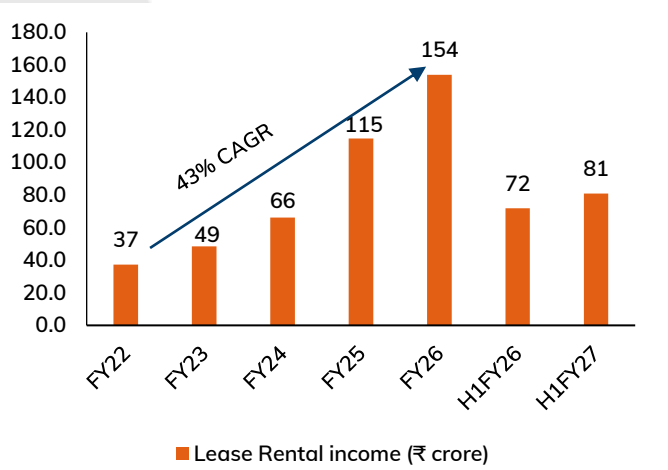
Source: Company, ICICI Direct Research; 2. Max Estates owns 51% of the beneficial interest and 49% is owned by New York Life Insurance, 4. The under-construction projects will reach their peak over the next 5+ years.

Exhibit 4: Quarterly lease rental income trend



Source: Company, ICICI Direct Research

Exhibit 5: Annual lease rental income trend



Source: Company, ICICI Direct Research

Exhibit 6: Indicative BD pipeline

Project location	Development Type	SBUA (msf)	Type	Stage
Noida	Mix-Use	0.5	Auction	Regulatory approval
Noida	Mix-Use	1.7	Auction	under auction
Gurugram	Commercial	1.5	JDA	Commercial negotiation
Gurugram	Commercial	0.8	JDA	Commercial negotiation
Noida	Commercial	1.2	JDA	Commercial negotiation
Noida	Commercial	1.3	Outright	Commercial negotiation
Gurugram	Residential	1.0	Outright	Under evaluation
Gurugram	Residential	1.6	JDA	Commercial negotiation
Delhi	Residential	1.0	JDA	Commercial negotiation
Gurugram	Residential	2.6	JDA	Commercial negotiation
Total		**13.2**		

Source: Company, ICICI Direct Research

Valuation

Max estate stays on course with respect to maintaining healthy pre-sales growth trajectory for residential business over the next two years and increasing annuity income multi-fold over the longer tenure. However, timely project launches would be critical in maintaining healthy pre-sales growth momentum over the next two years. We retain Buy with our unchanged SOTP based price target to ₹ 680.

Exhibit 7: Valuation mix

Particulars	Valuation methodology	Value per share (Rs)
Residential	Project-wise NAV	424
Commercial	Capitalisation	255
Max Asset Services	EV/EBITDA	15
Net Debt		13
Total NAV		681
Price Target (Rounded)		680

Source: Company, ICICI Direct Research

Financial summary

Exhibit 8: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	160	199	231	2,138
% Growth	73	24	16	825
Other income	89	97	100	100
Total Revenue	250	297	331	2,238
% Growth	108	19	12	576
Total Raw Material Costs	5	4	7	652
Employee Expenses	18	33	43	56
Other expenses	94	139	105	682
Total Operating Expenditure	116	176	156	1,391
Operating Profit (EBITDA)	44	24	75	747
% Growth	150	(47)	218	890
Interest	62	65	112	113
PBDT	72	56	64	734
Depreciation	34	32	36	42
PBT before Exceptional Items	38	23	28	692
Total Tax	11	8	9	174
PAT before MI	26	16	19	518
PAT	41	13	38	547
% Growth		(69)	201	1,354
EPS	2	1	2	33

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	41	13	38	547
Depreciation	34	32	36	42
Interest	(66)	(73)	112	113
Cash Flow before WC changes	48	32	175	847
Net Increase in Current Assets	(2,039)	(3,209)	(1,181)	(1,296)
Net Inc in Current Liabilities	2,288	2,618	1,169	1,402
Net CF from Operating activities	225	(616)	154	779
(Purchase)/Sale of Fixed Assets	(677)	(81)	(409)	(409)
Change in Investments	(473)	232	(200)	-
Others	12	(883)	-	-
Net CF from Investing activities	(1,139)	(732)	(609)	(409)
Issue of Equity	800	113	-	-
Proceeds from borrowings	632	608	700	(500)
Others	335	158	(112)	(113)
Net CF from Financing Activities	1,766	879	588	(613)
Net Cash flow	853	(468)	133	(243)
Opening Cash/Cash Equivalent	231	1,083	615	748
Closing Cash/ Cash Equivalent	1,083	615	748	505

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	161	163	163	163
Reserve and Surplus	2,500	2,998	3,016	3,534
Total Shareholders funds	2,661	3,161	3,180	3,698
Total Debt	1,615	2,379	3,079	2,579
Total Liabilities	4,276	5,540	6,259	6,277
Gross Block	2,132	2,640	3,049	3,459
Acc: Depreciation	85	117	153	195
Net Block	2,047	2,523	2,896	3,263
Capital WIP	0	0	0	0
Total Fixed Assets	2,047	2,523	2,896	3,263
Non Current Assets	659	557	757	757
Inventory	2,285	6,888	7,715	8,640
Debtors	15	12	13	13
Other Current Assets	1,141	1,818	2,173	2,543
Cash	1,083	615	748	505
Total Current Assets	4,524	9,334	10,648	11,701
Current Liabilities	2,945	6,862	8,030	9,432
Provisions	9	12	12	12
Total Current Liabilities	2,954	6,874	8,042	9,444
Net Current Assets	1,570	2,460	2,606	2,256
Total Assets	4,276	5,540	6,259	6,277

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
EPS	0.8	2.3	33.5	96.0
Cash per Share	2.7	4.5	36.0	99.0
DPS	-	-	-	-
BV	148.1	150.4	183.8	279.8
Operating Ratios				
EBITDA Margin	11.9	32.7	34.9	36.0
PAT Margin	6.3	16.3	25.6	27.1
Return Ratios				
RoE	0.5	1.5	18.2	34.3
RoCE	(0.2)	0.8	12.7	36.5
Valuation Ratios				
EV / EBITDA	424.6	141.0	13.9	4.5
P/E	664.1	221.0	15.2	5.3
EV / Net Sales	50.5	46.1	4.9	1.6
Sales / Equity	0.1	0.1	0.6	1.1
Market Cap / Sales	41.7	36.0	3.9	1.4
Price to Book Value	3.4	3.4	2.8	1.8
Working Capital Management Ratios				
Inventory Days	12,605.2	12,187.5	1,475.0	609.1
Debtor Days	22.4	19.8	2.2	0.8
Creditor Days	1,863.7	1,608.9	173.9	64.1
Asset Turnover	0.0	0.0	0.3	0.8
Solvency Ratios				
Debt / Equity	0.8	1.0	0.7	0.4
Current Ratio	1.4	1.3	1.2	1.2
Quick Ratio	0.4	0.4	0.3	0.4

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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