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Oberoi Realty (OBEREA)

CMP: ₹1886 | Target ₹ 2200 (17%) | Target Period: 12 months | BUY

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Eyeing scale with quality…

About the stock: Oberoi Realty Limited (OBEREA), is a Mumbai-based premium real estate developer focused on residential, office, retail and hospitality verticals.

- It has more than ₹ 15,000 crore inventory across eight ongoing residential projects
- It is developing office, retail and hospitality assets at Borivali, Worli and Thane.

Investment Rationale:

- **NCR project hurdle cleared, launch pipeline strong over FY27-FY28E:** Oberoi had received an overwhelming response for its first luxury residential launch, Three Sixty North in NCR recording ₹ 8109 crore gross bookings for phase I (~13.52 lakh square feet carpet area out of 23.10 lakh square feet). Post which, the restrictions imposed by Punjab and Haryana High Court on further allotments and creation of third party rights with respect to writ petition filed by Advance India Projects has ceased to be operative paving the way for phase 2 (~₹ 7500 crore GDV) launch of the said project in FY28. The strong response garnered from its maiden launch in NCR have increased the company's focus for future business developments in NCR (with a preference for large land parcels), providing geographic diversification and scalability. Further, it has a strong launch pipeline for FY27 which includes 1) Pedder Road 2) Tower D, Forestville 3) Tower A, Jardine 4) Ralliwolf Mulund, 5) Enigma commercial strata sale 9) Adarsh Nagar, Worli, 10) Alibaug 11) Bandra, RLDA and 12) Borivali SRA project. We estimate its pre-sales to grow at 70+% CAGR over FY26-FY28E assuming entire phase 2 launch of Three Sixty North in FY28E.
- **Rental income estimated to grow at ~17% CAGR over FY26-FY29E:** The company saw lease rentals rising by ~19% YoY (up 1% QoQ) during Q1FY27 to ₹ 364 crore. Occupancies at Oberoi Mall/ Commerz I, Commerz II and Commerz III remained steady at 99%/ 96%/ 100%/ 98% while Sky City Mall achieved 82% occupancy on completion of one year and is targeted to near 100% by FY27 end. Further, its hospitality business saw revenue/ EBITDA growth of 10%/ 14% YoY to ₹ 47 crore/ ₹ 18 crore respectively in Q1FY27. It plans to open Marriott Hotel, Sky City during H1FY28 and Ritz Carlton, Worli during Q4FY27. We estimate its rental income from both retail and office spaces to grow at ~17% CAGR over FY26-FY29E.

Rating and Target Price:

- Oberoi realty is expected to register robust pre-sales over the next two years propelled by NCR project launch. Its rental portfolio is also expected to register high teens CAGR over FY26-FY29E.
- We have a Buy rating on the stock with our SOTP based price target of ₹ 2200 (40% premium to residential NAV).

OBEROI REALTY

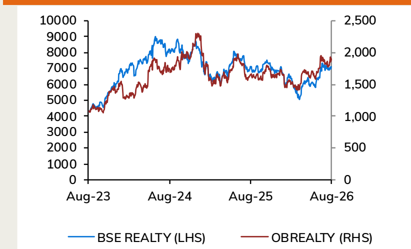
Particulars

Particuar	Amount
Market Capitalisation (Rs crore)	68,575
Debt (FY26) - Rs crore	2,816
Cash (FY26) - Rs crore	1,697
EV (Rs crore)	69,695
52-week H/L (Rs)	1986/1391
Equity capital (Rs crore)	363.6
Face value (Rs)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	67.7	67.7	67.7	67.7
FII	16.1	16.6	15.4	15.1
DII	13.9	13.5	14.6	14.8
Others	2.4	2.3	2.3	2.4

Price Chart



Key risks

(i) Slowdown in pre-sales run-rate led by weakness in MMR region
(ii) Delay in project launches and execution run-rate
(iii) Rise in interest rates and/or increase in key raw material prices

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Key Financial Summary

Particulars (₹ crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	4192.6	4495.8	5286.3	6009.1	19.7	6464.2	8440.0	12.0
EBITDA	2111.7	2409.9	3103.1	3358.2	26.1	3592.4	4703.9	11.9
EBITDA margin (%)	50.4	53.6	58.7	55.9		55.6	55.7	
Net Profit	1904.5	1926.6	2225.5	2530.5	15.3	2624.5	3471.3	11.1
EPS (Rs)	52.4	53.0	61.2	69.6		72.2	95.5	
P/E (x)	36.0	35.6	30.8	27.1		26.1	19.8	
P/B (x)	5.6	5.0	4.4	3.8		3.4	2.9	
RoCE (%)	12.8	14.5	15.9	15.6		14.9	17.2	
RoE (%)	15.6	13.9	14.2	14.1		12.9	14.6	

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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