Shriram Properties (SHRPRO)

ICICI Direct

CMP: ₹ 78	Target ₹ 125 (60%)	Target Period: 12 months	BUY

August 14, 2026

Soft Q1; Growth trajectory to pick up

About the stock: Shriram Properties (SPL) is among the top 5 residential real estate developer in south India primarily focused on the mid-market & mid-premium housing categories.

- It has established a strong presence in Bengaluru, Chennai, Kolkata and recently expanded to Pune. It has a project pipeline of more than 35 msf (16/17.7 msf – ongoing/upcoming) with a mix of Owned, Joint Development Agreement, Joint Venture & Development Management projects.

Q1FY27 performance: SPL reported a steady Q1FY27, pre-sales up 10% YoY to ₹ 484 crore (0.85 msf), supported by project launches in Chennai and Kolkata. Collections increased 8% YoY to ₹ 365 crore. Revenue grew 4% YoY to ₹271 crore, with EBITDA at ₹42 crore (Flat YoY) and PAT at ₹11 crore vs ₹21 crore Q1FY27 impacted by higher finance costs. Operating cash flow came in at ₹54 crore. The net debt position was ₹432 crore with 0.3x net debt/equity. The company secured a project worth ₹ 650 crore and has 7+ msf of additional development potential under advanced closure.

Investment Rationale:

- **FY27 guidance retained anticipating strong H2:** SPL retained ₹ 3300-3500 pre-sales growth (40-49% YoY) guidance for FY27 led by strong launch pipeline of ~₹ 6000 crore launch pipeline (~80% targeted in H2), which is expected to generate ~₹ 2000 crore pre-sales. Further, sustenance sales is expected to contribute ~₹ 1400-1500 crore for FY27. Its 9MFY27 launch pipeline of ~5.2+msf is well diversified across Bengaluru (50%), Pune (32%) and Chennai (17%), providing uptick in realisations (higher Bengaluru share). It has unsold inventory of 2.9 msf (GDV of ₹ 1970 crore) in ongoing projects and 17.7 msf (GDV of ₹ 11560 crore) in upcoming projects, scheduled to be launched over the next 4-5 years. Hence, overall, its unsold GDV potential stands at ₹ 13,530 crore, providing a strong pre-sales growth trajectory going ahead. We estimate its pre-sales to grow at 31% CAGR over FY26-FY28E to ₹ 4030 crore.
- **Business development of ₹ 5000-6000 crore for FY27 retained:** SPL has secured business development of ~41 msf (GDV of ~₹ 20,775 crore) since FY19 (Q1FY27 - ₹ 650 crore). For FY27, it retained new project additions of 7-8 msf with GDV potential of ₹ 5000-6000 crore. Currently, it has 7.3 msf projects worth ₹ 6000 crore likely addition in ~6 months and 20+ msf projects at various stages of evaluation. The company retained its FY28 mission target of pre-sales (₹ 5000+ crore), revenues (₹ 2500+ crore) and PBT (₹ 250+ crore). Overall, it has ~₹ 14,000 crore of revenues (~₹ 4800+ crore – launched/ongoing, ~₹ 9000+ crore – Upcoming projects) to be recognised in 5-7 years.

Rating and Target Price:

- Shriram properties is expected to remain on a strong pre-sales growth trajectory over the next 2-3 years. We maintain our SOTP based price target price of ₹ 125 and Buy rating on the stock.

Shriram Properties
Homes that live in you

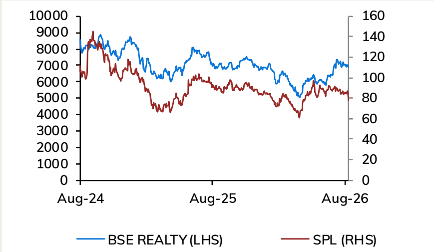
Market data

Particulars	Rs. in crore
Market Capitalisation	1,468
Debt (FY26)	610
Cash (FY26)	151
EV	1,927
52 Week H/L (Rs.)	99/60
Equity Capital	170.4
Face Value (Rs.)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	27.9	27.9	27.9	27.9
FII	2.9	3.6	6.1	6.9
DII	1.9	2.5	2.5	1.4
Others	67.3	66.0	63.6	63.8

Price Chart



Key risks

(i) Inability to acquire new residential projects

(ii) Delay in under-construction residential projects

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

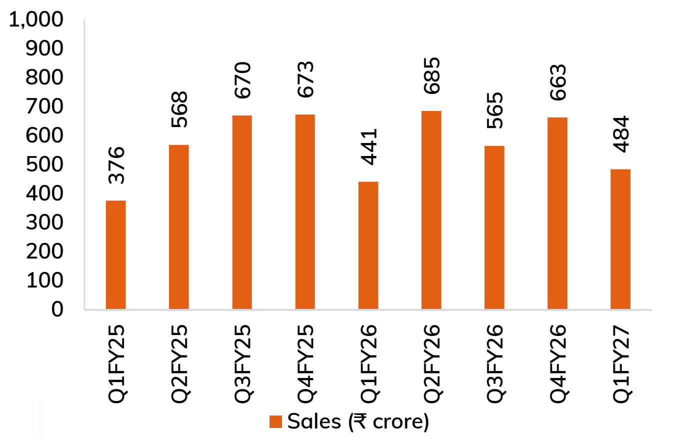
Particulars (₹ crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	865	823	1,267	21.1%	1,754	2,362	36.5%
EBITDA	100	29	87	-6.5%	147	298	84.6%
EBITDA margin (%)	11.6	3.6	6.9		8.4	12.6	
Net Profit	75	77	101	15.6%	95	204	42.1%
EPS (Rs.)	4	5	6		6	12	
P/E (x)	19	19	15		14	7	
EV/EBITDA (x)	19	66	22		12	6	
RoCE (%)	11.1	8.4	8.1		7.9	13.4	
RoE (%)	5.9	5.7	6.9		6.1	11.6	

Source: Company, ICICI Direct Research

Q1FY27 – Earnings call summary

- **Guidance for FY27E:** SPL has maintained pre-sales guidance of ₹ 3300-3500 crore, new project launches having estimated gross development value of ₹ 2000 crore, new business development of 7-8 msf having estimated GDV of ₹ 5000-6000 crore in FY27E. On project completions company has guided to deliver 7-8 projects having approx. 3750 units totalling to 4-4.5 msf having revenue potential of ₹ ~1700 crore for FY27E.
- **New project launches in 9MFY27E:** SPL has planned 9 new projects in 9MFY27E having 5.93 msf of saleable area across Bengaluru (6 projects), Pune (2) and one each in Chennai. It expects to launch 2 projects namely, Gateway C Zone (0.9 msf) in Chennai and Manjari (1 msf) Pune in Q2FY27E. It is in advance stage of receiving necessary approvals for project Manjari in Pune.
- Business development: The company secured one project worth ₹ 650 crore having 0.8 msf saleable area. The project is located in North Bengaluru and the DA for the project is submitted. SPL expects to launch this project in Q4FY27. Going ahead it has business development pipeline of more than ₹ 6000 crore having ~7 msf saleable area.
- **Kolkata strategy:** SPL has more than 100 acres of monetizable land bank in the Kolkata region. SPL is confident of monetising its land bank in the region. It already has approvals in place for 2.3 msf of apartments which it plans to launch in phases over the medium term. In Q1FY27, it launched branded plots for which it received a robust response of 55% bookings within 1 month of launch. SPL is working upon a strategy to optimise monetisation of land bank, it estimates to generate sales of ₹ 1200-1400 crore from this land bank over 5 years.
- Financial performance: Q1FY27 financial results record impact of legacy projects which SPL has handed over, these formed 40% of total revenues. The company has guided for Revenue of ₹ 2500 crore in FY28E and ~10% PBT margins by FY28E
- **Cashflows and Debt:** SPL invested ₹ 88 crore in business development in Q1FY27 securing projects with estimated GDV of ₹ 650 crore. It recorded collections of ₹ 365 crore in Q1FY27 and construction spends of ₹ 94 crore. SPL has gross and net debt balance of ₹ 651 and ₹ 432 crore in Q1FY27, net debt to equity position of 0.29x. The company aims to maintain Net Debt to equity ratio of 0.5:1 in the long term however it may exceed this ceiling on a temporary basis.

Exhibit 1: Pre-sales quarterly trend booking

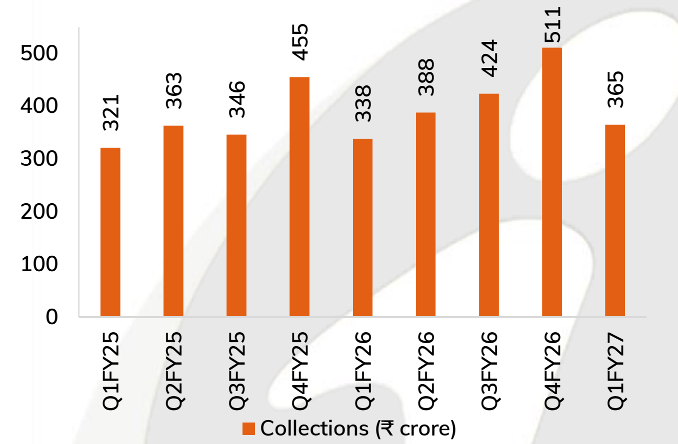


Source: Company, ICICI Direct Research

Exhibit 2: Sales area in msf

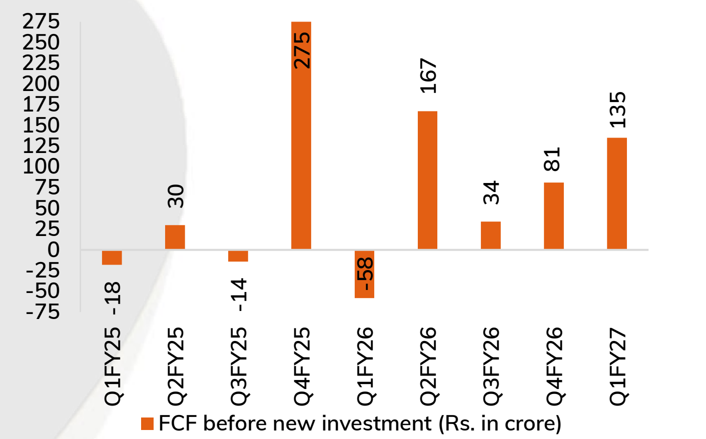
Source: Company, ICICI Direct Research

Exhibit 3: Collections (Rs. crore)



Source: Company, ICICI Direct Research

Exhibit 4: FCF before investment in business development



Source: Company, ICICI Direct Research

Valuation

We value SPL on SOTP basis with valuation methodology for its residential businesses and land bank. We have valued its residential vertical by calculating project-wise NAV discounting net post-tax operating cashflows at 14% WACC rate. We value its Kolkata balance land parcel at market value. Consequently, we arrive at our SOTP based price target price of ₹ 125.

Exhibit 5: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	115
Kolkata land	Based on current market price	35
Less Net Debt		25
NAV		125
Price Target (Rs)		**125**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	823	1,267	1,754	2,362
% Growth		53.9	38.4	34.7
Other income	150	90	44	46
Total Revenue	823	1,267	1,754	2,362
% Growth		53.9	38.4	34.7
Total Raw Material Costs	575	902	1,280	1,654
Employee Expenses	92	105	116	127
Other expenses	127	173	210	283
Total Operating Expenditure	794	1,180	1,607	2,064
Operating Profit (EBITDA)	29	87	147	298
% Growth		197.3	68.6	102.2
Interest	105	86	79	85
PBDT	75	91	112	259
Depreciation	10	10	12	14
PBT before Exceptional Items	64	81	100	245
Total Tax	11	(23)	25	61
PAT before MI	54	103	75	184
PAT	77	101	95	204
% Growth		30.6	(5.9)	114.5
EPS	4.5	5.9	5.6	11.9

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	88	78	95	204
Depreciation	10	10	12	14
Interest	105	86	79	85
Others	(148)	(58)	-	-
Cash Flow before WC changes	55	116	186	303
Change in working capital	(80)	(208)	49	205
Net CF from Operations	154	(16)	111	249
(Purchase)/Sale of Fixed Assets	(6)	(1)	(7)	(7)
Net CF from Investing activities	(31)	110	(57)	(35)
Dividend and Dividend Tax	-	-	-	-
Others	(125)	(71)	(79)	(85)
Net CF from Financing Activities	(128)	(123)	15	(85)
Net Cash flow	(5)	(28)	70	129
Opening Cash/Cash Equivalent	184	179	151	221
Closing Cash/ Cash Equivalent	179	151	221	349

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	170	171	171	171
Reserve and Surplus	1,185	1,289	1,379	1,582
Total Shareholders funds	1,356	1,460	1,549	1,753
Total Debt	651	610	710	710
Total Liabilities	2,018	2,084	2,274	2,477
Gross Block	109	122	129	136
Acc: Depreciation	46	56	69	83
Net Block	69	66	61	54
Capital WIP	-	-	-	-
Total Fixed Assets	82	128	123	116
Non-Current Assets	179	199	249	277
Inventory	2,533	2,447	2,692	2,961
Debtors	94	71	144	194
Other Current Assets	495	351	351	351
Cash	179	151	221	349
Total Current Assets	3,678	3,387	3,751	4,297
Current Liabilities	182	216	312	421
Provisions	9	10	10	10
Other Current Liabilities	1,323	1,284	1,403	1,654
Total Current Liabilities	1,920	1,630	1,849	2,212
Net Current Assets	1,757	1,757	1,902	2,084
Total Assets	2,018	2,084	2,274	2,477

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
EPS	4.5	5.9	5.6	11.9
Cash per Share	10.5	8.9	12.9	20.5
BVPS	79.6	85.7	90.9	102.9
DPS	-	-	-	-
EBITDA Margin	3.6	6.9	8.4	12.6
PAT Margin	9.4	8.0	5.4	8.6
RoE	5.7	6.9	6.1	11.6
RoCE	8.4	8.1	7.9	13.4
RoIC	1.0	4.0	6.6	13.4
EV / EBITDA	66.0	22.1	12.3	5.7
P/E (Adjusted)	19.0	14.6	14.0	6.5
EV / Net Sales	2.4	1.5	1.0	0.7
Sales / Equity	0.6	0.9	1.1	1.3
Market Cap / Sales	1.8	1.2	0.8	0.6
Price to Book Value	1.1	1.0	0.9	0.8
Asset turnover	0.4	0.6	0.8	1.0
Debtors Turnover Ratio	9.7	15.4	16.3	14.0
Creditors Turnover Ratio	4.8	6.4	6.6	6.4
Debt / Equity	0.5	0.4	0.5	0.4
Current Ratio	5.3	8.5	7.3	6.4
Quick Ratio	1.1	1.4	1.2	1.1

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

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Sell: <-15%

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